Performance Tested.

Trimac Income Fund

2005 Annual Report

Performance Tested for More than 60 Years

Trimac is the premier bulk trucking franchise in Canada. Our trucks travelled over 88 million miles in 2005. Trimac also provides complementary logistics services, including transload facility operations, distribution management and freight brokerage. Founded in 1945 by J.W. McCaig, the first of three generations to preside over the company, Trimac has stood the test of time, successfully navigating through the rise and fall of economic cycles. With an unparalleled track record of success and growth in the bulk trucking business, Trimac is ideally suited to be an income trust.

The annual general meeting of the unitholders of Trimac Income Fund will be held on May 12, 2006 at 2:00 pm MDT in the Grand Lecture Theatre at The Metropolitan Conference Centre, 333 – Fourth Avenue S.W., Calgary, Alberta. All unitholders and interested parties are invited to attend.

Contents

Competitive Advantages

More Financial Performance

Trimac has demonstrated a consistent track record of financial performance, with EBITDA margins ranging from **12.5-15.9** percent between 1989 and 2005.

More Products

Our transportation and logistics services cover every major industry and more than **200** products. From petroleum, compressed gases and chemicals to lime, fly ash, cement, asphalt, woodchips and edible products.

More Places

Trimac is the only truly national Canadian bulk trucking carrier, servicing more than **750** customers across the country with operations in every province, including **45** bulk trucking terminals and **11** internal tank wash facilities.

More People

Trimac has nearly **1,800** employees and independent contractors. Industry-leading safety and training programs, employee satisfaction measurement and upper-quartile compensation packages have resulted in one of the lowest turnover rates in the Canadian transportation industry.

More Tractors and Trailers

Trimac operates **949** tractors and **2,264** specialized trailers, including stainless steel, dry bulk, woodchip and compressed gas trailers.

TMA.UN

Units trade on the Toronto Stock Exchange

Management's Letter

To Our Unitholders

We are pleased and excited to report on Trimac's first year as an income fund. It was a year of mixed emotions for all of us – celebrating the successful launch of the income fund, while saying goodbye to our Chairman, J.R. (Bud) McCaig, who passed away suddenly on January 11, 2005.

Building on the foundations laid by his father, Jack W. McCaig, Bud built a successful multi-generational business over the course of his 60-year career at Trimac. His list of accomplishments in business and community service is truly remarkable. But even more importantly, Bud will be remembered for his kindness and humility, and his ability to bring out the best in others. Bud's vision and values will continue to guide us in all that we do.

Strong 2005 Performance

We completed the initial public offering of the Trimac Income Fund in February, following a five-year hiatus from the Canadian capital markets. We were pleased with the overall financial performance of Trimac in 2005, particularly the strong fourth-quarter results which allowed us to exceed the financial targets set as part of the IPO process. The fundamentals for our bulk trucking and logistics businesses remained strong in 2005. Transportation capacity shortages led to enhanced utilization of our fleet and recognition among our customers of the need for rate increases to recover rising operating costs.

60 Years of Commitment to Success

1945

J.W. (Jack) McCaig and his partner Al Cameron establish Maccam Transport in Moose Jaw, Saskatchewan.

1961

Trimac purchases Calgary-based H.M. Trimble & Sons, an established trucking company with operations in Alberta and B.C.

1967

Trimac purchases Municipal Tank Lines Limited of Ontario and begins operating under the name Trimac Transportation.

1971

In November, Trimac Limited becomes a public company.

1980

Trimac acquires CP Bulk Transport, making Trimac the largest bulk trucking company in North America.

Some of the challenges faced in 2005 included skyrocketing diesel and other input prices, delays in the delivery of new equipment, and driver and mechanic shortages. We proactively managed our way through these issues with contractual fuel surcharge mechanisms, strong supplier and customer relationships and a focus on retention and recruitment of key manpower resources.

Outlook

We are excited about our prospects for 2006. We are committed to our strategy of disciplined growth for our bulk trucking and logistics businesses, and maintaining a diversified range of products and customer segments within our market. Trimac has a long history of stable financial performance and consistent growth. As we look ahead we remain confident in our ability to deliver strong returns to our investors. This confidence is evidenced by our announcement on March 9, 2006 of a 5.7% increase to our distribution rate, from $0.0729 to $0.0771 per unit per month.

In a business as intense and geographically dispersed as ours, we are highly dependent on the industry and initiatives of our people. We are very appreciative of the extraordinary efforts put forth by our employees and contractors, day in and day out. We are committed to providing an environment that will continue to make Trimac the preferred place to work in the trucking and logistics industry.

Jeffrey J. McCaig
Chairman

Terry J. Owen
President & Chief Executive Officer

1994

Bud McCaig steps down as CEO of Trimac, remaining as Chairman of the Board. Jeff McCaig becomes President and CEO.

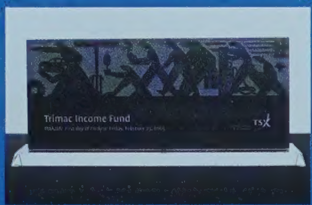
1997

The purchase of Provost Corporation's maritime operations completes Trimac's Canadian footprint from "sea to shining sea".

1996

Trimac celebrates its 50th anniversary.

2005



The successful launch of Trimac Income Fund.

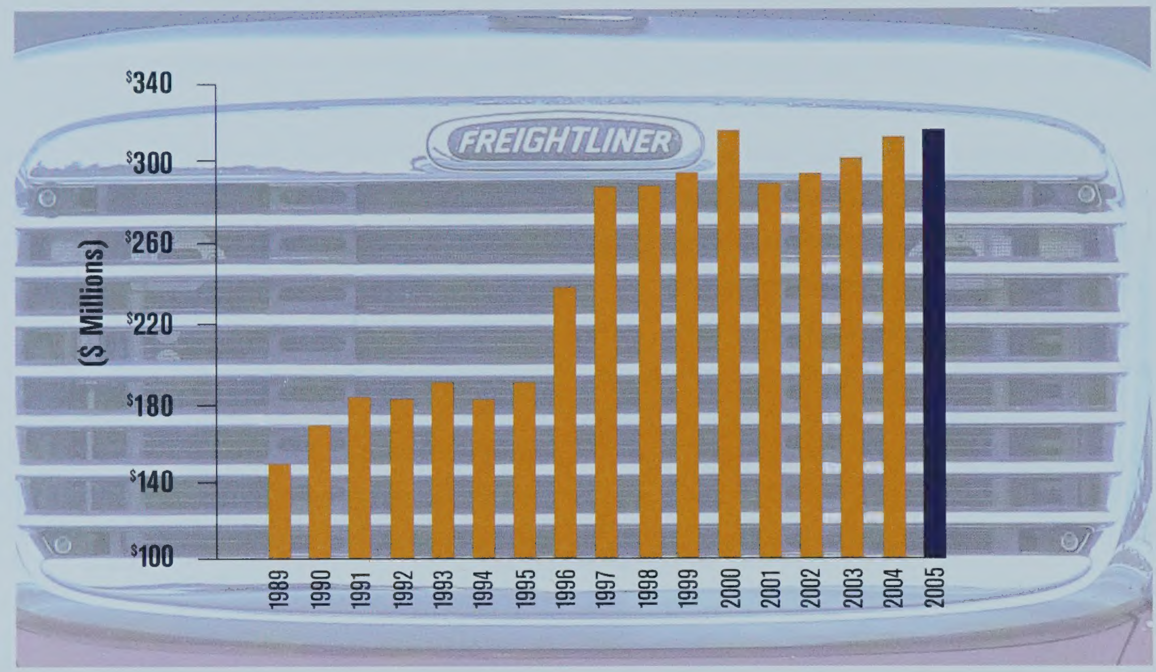
2000

The founding shareholders of Trimac complete privatization in late 2000.

Performance Tested

Financial Track Record

Revenue Growth

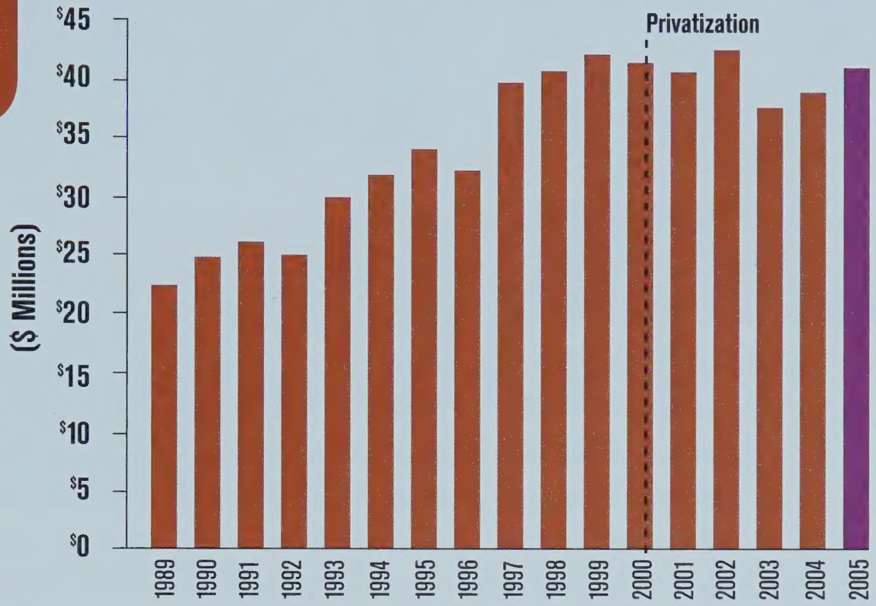


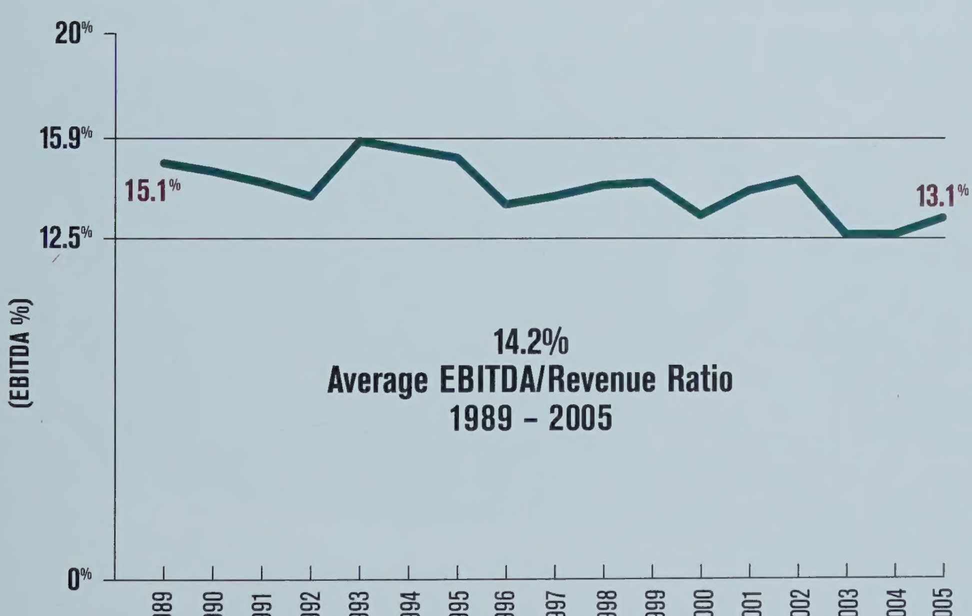
Trimac has a history of *long-term revenue growth*, provided both organically and through acquisitions. Trimac's proven acquisition model fully integrates operations of new companies to maximize synergies.

$41.0 Million

EBITDA Growth

Trimac has a track record of long-term growth in EBITDA.





13.1%

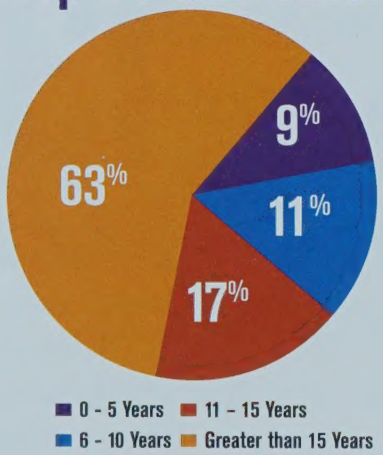
EBITDA as a Percent of Revenue in 2005

Despite rising operating costs, Trimac has achieved stable EBITDA margins of 12.5-15.9% between 1989 and 2005.

Diversified by Customers, Products and Industry, and Geography

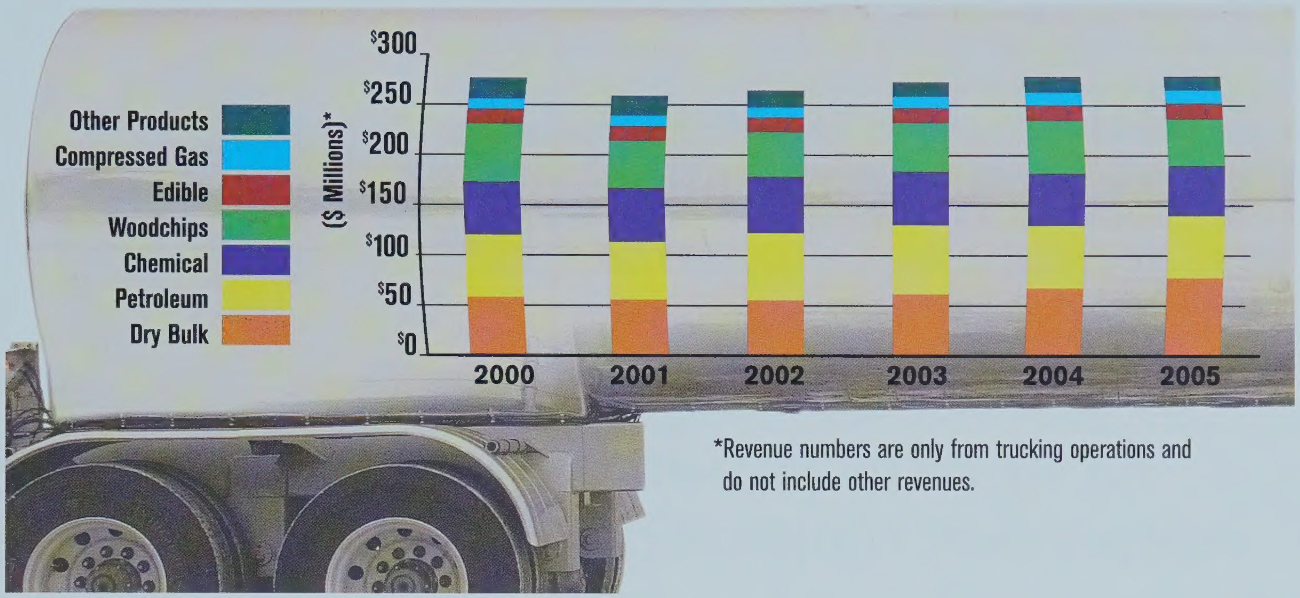
750 Customers Trimac has a diversified base of more than 750 customers, with the largest accounting for less than 8% of total revenues. Many of our leading customers are Fortune 500 companies, providing stability to Trimac during economic down-cycles. The majority of relationships are long-term and contractual, allowing Trimac to build fuel price and annual inflation escalators into the contracts.

Length of Relationship of Top 50 Customers (based on revenue)



63% of Trimac's revenue is generated by customers that have been with the company for more than 15 years.

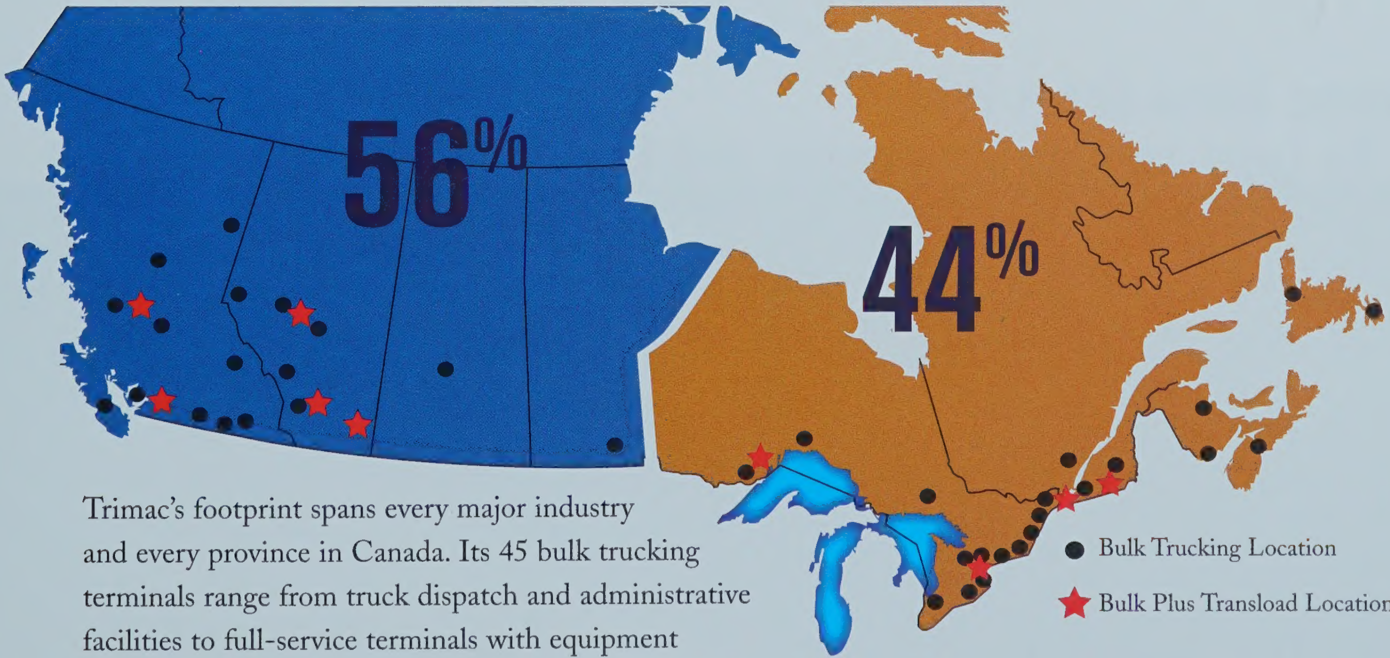
Diversified Products and Industries



*Revenue numbers are only from trucking operations and do not include other revenues.

200+ Products The wide range of products transported by Trimac provides the Fund with diversified revenues from all major **Industries** within Canada. While the proportion of products to revenues has been remarkably constant over time, product line exposure can be adjusted up or down depending on commodity price cycles.

Diversified by Geography

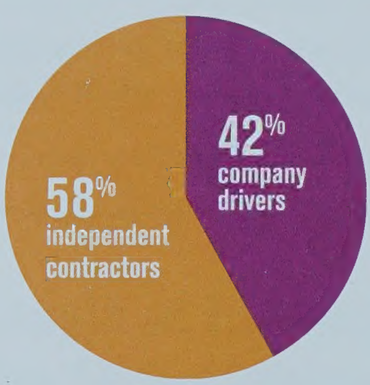


Trimac's footprint spans every major industry and every province in Canada. Its 45 bulk trucking terminals range from truck dispatch and administrative facilities to full-service terminals with equipment maintenance shops and tank cleaning capabilities.

Performance Tested

Our People

Trimac has developed safety, training, retention and recruitment programs aimed at creating a *Preferred Place to Work* for its employees and independent contractors.



58%

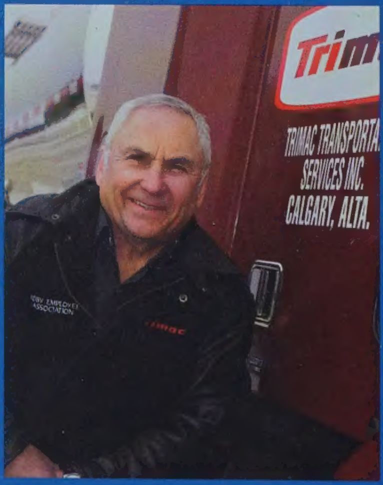
of Trimac's driving workforce is made up of independent contractors, which allows us to optimally allocate resources depending on the nature of the haul.

Trimac Takes Great Pride in its Long-service Employees and Independent Contractors

22 years

Gord Aeichele, Mechanic

Gord has worked for Trimac for 22 years starting his career in Surrey, B.C., later moving to the Kamloops repair facility. Gord now works in Trimac's Langley facility.



40 years

Jim Field, Driver

Jim has been employed by Trimac for over 40 years. In 2005, Jim completed 31 years of incident-free safe work, a remarkable achievement.

Safety and Training

Safety of our employees, our customers' employees and the public is our core value – it influences everything we do. Comprehensive training materials and programs are the cornerstones of our safety initiatives. Trimac has developed industry-leading operating standards, product stewardship and driver manuals which are reinforced with classroom and in-cab training.

Retention

Employee turnover is an important measure for tracking our success in creating a "Preferred Place to Work". The statistic is tracked rigorously and forms part of management's key performance indicators. Management believes that Trimac's turnover rate is amongst the lowest in the industry. Trimac monitors employee satisfaction with surveys. We benchmark ourselves against competitor compensation packages to ensure we are in the upper quartile of remuneration. In addition, Trimac rewards its employees for long service with increased employer pension and vacation benefits based on years of service.

Recruitment

Trimac has dedicated personnel and programs designed to attract the best drivers and mechanics. Employee referral incentives encourage our people to reach out to potential candidates. We have partnered with a driver training school and major bank to provide a program to assist recruits with financing for tuition fees. In addition, Trimac supports apprenticeship programs to develop journeyman mechanics.

President's Safety Awards

Sundre, Alberta and Sarnia, Ontario win Trimac's 2005 Canadian President's Safety Awards

Trimac presents two President's Awards each year for branches with the best safety performance in the under 1.5 million miles and over 1.5 million miles categories. This is a team award that recognizes all drivers and independent contractors, as well as branch support staff in maintenance, tank cleaning and administrative support areas. The Chairman, President and senior management present the award at an annual celebration befitting such industry-leading performance.

Performance Tested

Business Model

Trimac's proven business model optimizes safety, performance, operating standards, transportation rates, service levels and information technology applications to provide our customers with the highest value-added services at competitive rates.

Safety

Trimac has created an industry-leading safety program that provides product stewardship, driver training and a process focus that integrates people and equipment with our customers' products and facilities. We have been recognized in Canada and North America for our programs and outstanding safety performance. Trimac has been a frequent recipient of the top safety awards from the Canadian Trucking Alliance and the National Tank Truck Carriers.

Operating Standards

Trimac also has industry-leading operating standards. All of Trimac's operations are guided by processes that rigorously measure and monitor performance to company standards.

Our Fleet of Trailers

Tandem Semi Stainless Steel

Variety of edible or inedible liquid products

8-Axle Pneumatic B-Train

Powdered cement, flyash or hydrated lime

8-Axle Liquefied Gas B-Train

Liquefied petroleum gases and anhydrous ammonia

8-Axle Petroleum B-Train

Refined petroleum products such as gasoline, diesel and jet fuel

Transportation Rates

The rate-making process includes focusing on productivity; payloads; loading and unloading processes; equipment utilization and operating expertise. Transportation contracts with customers include provisions for annual inflation rate adjustments, rate adjustments due to fluctuations in the price of diesel fuel, and in some cases commitments on minimum volume amounts.

Service Levels

For 60 years Trimac has been committed to providing its customers with safe and on-time transportation services. Trimac utilizes its state-of-the-art information technology to monitor and ensure the highest customer service levels.

Information Technology

Trimac's integrated software platform is among the most advanced and powerful assembled in the Canadian bulk trucking industry. Investments in information technology have allowed Trimac to provide its customers with service offerings that extend beyond the transportation of their products. Trimac has integrated its dispatch and billing systems with the ERP systems of its customers. Our IT systems have allowed us to centralize dispatch operations for product lines and regions to reduce costs and increase equipment utilization.

Pneumatic Self-Loading Tridem Semi

Powdered flour or plastic pellets

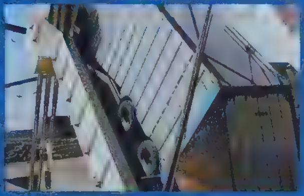
8-Axle Wet/Wet Combination B-Train

End compartments for refined petroleum products and centre compartments for acids or chemicals

8-Axle Belly Dump B-Train

Coal or other dry products

Woodchip Semi Trailer



Woodchip, sawdust or residual forestry products

The Value of Strategic Acquisitions

Historically, Trimac has grown through a combination of internal growth with existing or new customers and acquisitions. Trimac's acquisition strategies are guided by our business principles, product line fit, potential for growth and the opportunity to improve market penetration in specific geographical areas. The acquisitions process involves a rigorous review against strict criteria. We look for well-managed businesses that have a brand value in the market, strong financial results and clear growth opportunities. Certain acquisitions may be a fit with bulk commodities we already carry, enabling us to leverage existing equipment and personnel.

21 bulk trucking acquisitions resulting in

$116 million of growth revenue

Between 1989 and 2005 Trimac completed 21 acquisitions generating estimated annual revenues of $116.0 million in the Canadian bulk trucking business. The acquisitions enhanced the stability of our revenues, diversified the industries we serve and the products we transport, and strengthened our long-term growth prospects.

The discipline of our acquisitions program, and the experience of management in completing such transactions, ensure a smooth integration process and the ability to reduce expenses through economies of scale.

2005 Acquisition

On December 1, 2005 Trimac completed its first acquisition as a fund through the asset purchase of Energy Transportation, a division of Superior Plus Inc., consisting of 40 propane trailers and other assets.

At the same time, Trimac and Superior entered into a seven-year transportation agreement that provides for primary truck transportation of propane to Superior's market locations and to certain larger-volume customers in eastern and Atlantic Canada.

The acquisition fits well within Trimac's compressed gas business segment and strengthens an existing relationship with Superior Propane. Propane transportation will provide some balance to Trimac's construction materials business segment, since winter volumes tend to be high when the construction business is less active.

Quality and Experience

From left: David Gatti, Edward V. Malysa, Glenn Sherman, Marcel Pouliot, Willie Hamel, Jean Kipp, Jeffrey J. McCaig, Terry J. Owen, Norm Kennedy.

Jeffrey J. McCaig 22 years
Chairman

Edward V. Malysa 28 years
Vice President &
Chief Financial Officer

Norm Kennedy 30 years
Vice President, Western Division

David Gatti 24 years
President, Bulk Plus Logistics

Jean Kipp 23 years
Vice President, Marketing and
Business Development

Terry J. Owen 11 years
President & Chief Executive Officer

Glenn Sherman 29 years
Senior Vice President

Willie Hamel 13 years
Vice President, Eastern Division

Marcel Pouliot 16 years
Vice President, Quebec Operations

Average of 21 years experience in bulk transportation

Q and A

With the President

Trimac is the only carrier in the Canadian bulk trucking business with coast-to-coast operations.

Terry J. Owen
President & Chief Executive Officer

Q How would you describe the overall business environment for Trimac?

A We continue to be positive about the overall outlook for the business environment in which we operate. The Canadian bulk trucking industry is fragmented and consists of a few large regional or product-line specific carriers and many smaller competitors. Trimac is the only carrier in the Canadian bulk trucking business with coast-to-coast operations. Key differentiators for competition are price, safety, service levels, scope of operations and financial stability.

Capacity has been reduced through years of competition and low rates, which has increased pricing power in certain product lines. Many of the smaller competitors are family enterprises that are seeking an exit strategy, creating opportunities for accretive acquisitions. Technology continues to provide opportunities to increase efficiency, but requires the resources of a larger company to be implemented.

Q The trucking industry has been experiencing driver shortages. How is Trimac managing this?

A We believe that dealing with driver shortages starts with driver retention. Our turnover is among the lowest in the bulk trucking industry. We have accomplished this by using driver communication professionals; periodic driver interviews; hands-on management; in-house professional development, and competitive compensation packages, including attractive pension arrangements. To increase our ability to recruit new drivers we have established a driver retention and recruiting task force that is focused on streamlining the hiring process, increasing the effectiveness of advertising, and expanding our partnerships with driving schools.

Driver recruitment and retention will remain a major issue in the trucking industry for the foreseeable future. In 2006 we will continue to improve our hiring processes, increase internal and external training and education, and ensure pay rates and work rules remain competitive in the industry. These and other initiatives will reinforce our corporate objective of continuing to be the employer of choice in the bulk trucking industry.

Q How does Trimac define growth and sustaining capital and how might the amount vary in the future?

A Trimac defines growth capital as capital expenditures required to perform services for newly awarded business opportunities. Sustaining capital is defined as capital expenditures that are related to the replacement of assets used in the ongoing operations of the existing business, which includes the purchase of new assets as well as the rebuilding and refurbishment of existing assets. Capital expenditure levels are driven by the economic life of the capital assets; historical purchase dates; the mix of life cycles expiring in a given year; other factors affecting equipment cost; disposal proceeds of replaced assets; annual equipment utilization, and growth opportunities.

Net annual capital expenditures relating to sustaining capital requirements will vary from year to year due to the previously stated reasons.

Q How will Trimac deal with continued volatility in fuel prices going into 2006?

A Trimac has contractual fuel surcharge programs in place with the vast majority of its customers. Historically, our fuel surcharge program has been effective in recovering fuel cost increases. This is evidenced by the full recovery of fuel cost increases incurred in 2005, notwithstanding an unprecedented increase in fuel prices over the first 10 months of the year. We believe that, at least for our business, a contractual approach is preferable, as it lends itself to a greater stability of cash flows over the longer term.

Going forward, our priority is to deliver balanced growth while maintaining the appropriate level of diversification.

Q How does Trimac plan to grow its business in the future?

A Historically, Trimac's growth has been achieved through a combination of organic growth and acquisitions. Going forward, our priority is to deliver balanced growth while maintaining the appropriate level of diversification. We will do this by enhancing the profitability of our existing base of business, expanding our business with existing and new customers, growing our "asset light" logistics business which leverages on our intellectual capital, and actively pursuing accretive acquisitions in the product lines we serve.

Q Why was your payout ratio so low in 2005?

A Trimac's payout ratio in 2005 was 67%. We are generally conservative by nature, and this conservatism was reflected in our IPO-related estimates. In addition, the ratio was influenced by a stronger than anticipated fourth quarter and lower sustaining capital expenditures.

Q Is Trimac in direct competition with rail companies?

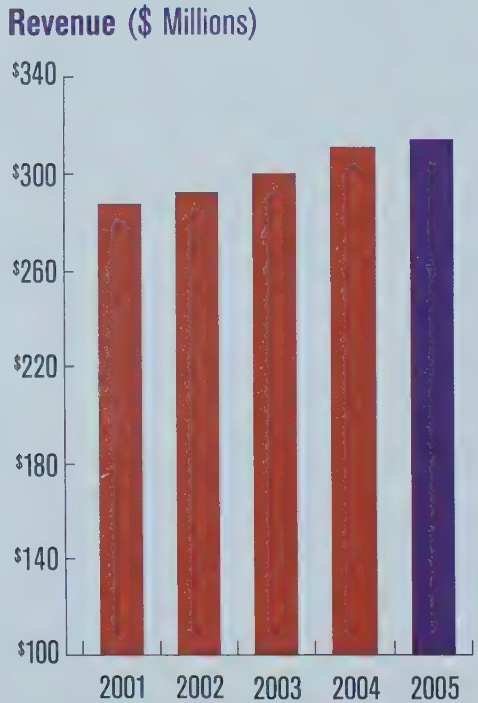
A Our competition with rail is limited. Trimac's average length of haul was approximately 240 miles in 2005. While there is a portion of our business that generates longer miles, the majority of our products move relatively short distances. Rail tends to be more competitive over longer distances (in excess of 500 miles) with customers that have large storage capacity. We tend to view the railroads more as partners than competitors. In some instances, Trimac has strategic alliances with rail companies to manage customer freight through our Bulk Plus transload facilities. Our objective is to provide our customers with the most efficient and cost-effective transportation solution. This is accomplished either with our bulk trucking business or logistics business, either of which may include some component of rail transportation.

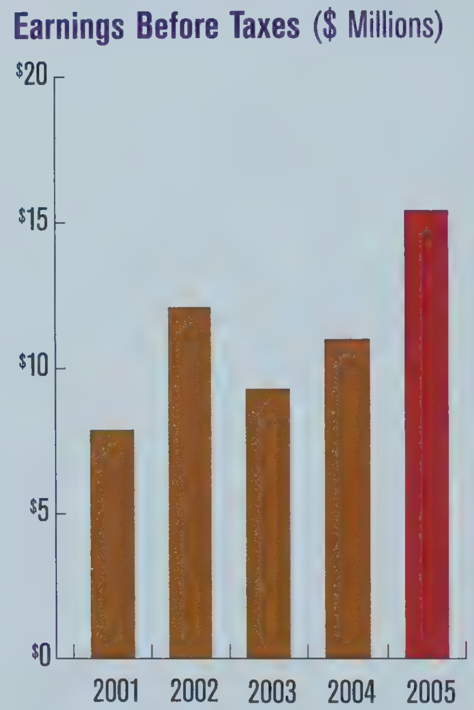
Financial Overview

$1.11 Per Unit
Cash Available for Distribution

$0.74 Per Unit
Cash Distributed

67%
Payout Ratio





Key Events in 2005

Trimac

- Trimac successfully completed its first year as an income fund with a 6% increase in EBITDA[1] over the prior year and a payout ratio of 67%.
- Our focus in 2005 was to improve profitability by reducing operating costs, increasing equipment utilization and securing rate increases on non-compensatory business.

Western Division

- EBITDA[1] growth of 9% over the prior year.
- All product lines achieved significant growth, except woodchips, which suffered from forestry industry-related economic difficulties.
- Our western division continues to benefit from the very strong economy in western Canada.

Five-Year Historical Performance

(thousands of dollars except returns and statistical information)

For the year ended December 31,	2005	2004	2003	2002	2001
Operations					
Revenues	$ 313,647	$ 310,338	$ 299,784	$ 292,197	$ 287,141
Earnings before interest, taxes, depreciation and amortization (1)	40,992	38,826	37,478	42,371	40,558
Operating earnings	19,184	17,694	15,026	19,243	15,715
Earnings before income taxes	15,360	11,035	9,339	12,129	7,899
Net earnings	15,414	7,008	5,344	6,500	4,878
Cash flows					
Cash from operations	$ 37,005	$ 26,005	$ 27,064	$ 30,246	$ 31,020
Net capital expenditures	14,504	13,056	13,210	14,449	16,892
Acquisition of transportation assets	2,714	4,255	-	275	-
Financial position					
Working capital	$ 19,774	$ 14,518	$ 14,278	$ 25,477	$ 11,494
Capital assets	91,858	96,575	100,417	109,666	118,162
Total assets	151,116	172,567	171,712	183,062	176,822
Long-term debt (including current portion)	56,000	93,000	108,000	85,000	85,161
Divisional equity	59,650	23,795	16,465	45,648	42,685
Returns (%)					
Return on net assets (2)	16.5%	15.8%	12.3%	13.2%	10.5%
Statistical information					
Number of terminals (3)	58	61	65	62	59
Number of washracks	11	13	14	13	14
Number of shops	22	23	27	26	25
Number of power units (4)	949	957	965	998	942
Number of trailers	2,264	2,329	2,359	2,499	2,587
Number of employees (5) (6)	1,777	1,904	1,881	1,860	1,758

(1) Earnings before interest, taxes, depreciation and amortization is a non-GAAP (Generally Accepted Accounting Principles) earnings measure that does not have a standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers.

(2) Return on net assets is calculated as operating earnings less other interest divided by the simple average of assets employed at the beginning of the year and at the end of the year. Net assets employed is the sum of divisional equity, current portion of long-term debt, long-term debt, future taxes, other long-term assets or liabilities and the long-term portion of Due to/from Associated Companies or Partnerships.

(3) Includes Bulk Plus locations.

(4) Includes owned and leased vehicles and independent contractors.

(5) Includes independent contractors.

(6) Excludes personnel providing shared services.

Eastern Division

- EBITDA[1] results were similar to last year, however, fourth-quarter 2005 EBITDA[1] improved by 30% over the fourth quarter of 2004.
- Completed the acquisition of Energy Transportation, a division of Superior Propane, on December 1, 2005.

Bulk Plus

- Despite lower revenues due to exiting of unprofitable business, Bulk Plus' EBITDA[1] improved by 75% over the prior year.
- Significant improvements in profitability occurred in both Canadian and U.S. operations during 2005.

(1) EBITDA is a non-GAAP (Generally Accepted Accounting Principles) earnings measure that does not have a standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers.

YEAR ENDED DECEMBER 31, 2005

Trimac delivered strong cash flows in 2005 consistent with its historical track record, despite a challenging operating environment.

Edward V. Malysa
Vice President & Chief Financial Officer

Management's discussion and analysis (MD&A) is intended to assist in the understanding and assessment of the trends and significant changes in the results of operations and financial condition of Trimac Transportation Services Limited Partnership (the "Partnership") and Trimac Income Fund (the "Fund").

This review should be read in conjunction with the consolidated financial statements and accompanying notes of the Fund, which include business operations from February 25, 2005 to December 31, 2005; consolidated financial statements and accompanying notes of the Partnership, which include operations from January 1, 2005 to December 31, 2005; and the prospectus of the Fund filed on February 18, 2005. This review includes unaudited financial information for the three-month period ended December 31, 2005 and the three-month period ended December 31, 2004. This discussion contains certain forward-looking statements. Please see "Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to these statements. In addition, this discussion makes reference to certain measures that do not conform to Generally Accepted Accounting Principles (GAAP) in Canada, such as EBITDA, to assist in assessing the Partnership's financial performance. The non-GAAP measures are not recognized under GAAP and do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers.

The Partnership provides bulk trucking services throughout Canada and complementary logistics services in Canada and the United States. Effective January 1, 2005, the Partnership purchased substantially all of the assets of Trimac Transportation Services Inc. (TTSI) relating to its Canadian bulk trucking business and its North American logistics business. TTSI and certain of its subsidiaries (the "combined business") conducted the business operations of the Partnership prior to January 1, 2005. In this MD&A, the use of "we", "us", "our" or "Trimac" means the Partnership and its subsidiaries for periods subsequent to January 1, 2005 or the combined business for periods prior to January 1, 2005.

The Fund

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust dated January 7, 2005 as amended and restated by the Amended and Restated Declaration of Trust dated February 17, 2005. The Fund has been created to invest, through TIF Commercial Trust (the "Trust"), a wholly-owned trust of the Fund, in the Partnership's bulk trucking and logistics businesses, through the acquisition of a non-controlling interest in the Partnership and in shares of TTSI, the general partner of the Partnership.

The Fund commenced operations on February 25, 2005 through the completion of an $86.0 million initial public offering (IPO). On March 9, 2005, the underwriters of the offering exercised their over-allotment option by subscribing for additional units for gross proceeds of $4.3 million.

Distribution Policies

The Fund

The policy of the Fund is to make monthly cash distributions of all of its distributable cash flow to unitholders. The Fund will be dependent for its cash flow on distributions on its investments in the Trust. The Fund anticipates making cash distributions on or about the 15th day of each month to unitholders of record on the last business day of the preceding month. The initial cash distribution in respect of the period from commencement of operations to March 31, 2005, representing 34 days (based on a February 25, 2005 closing of the IPO), was paid on April 15, 2005 to unitholders of record on March 31, 2005 and was $0.0825 per unit. Subsequent monthly distributions of $0.0729 per unit were paid on or about the 15th day of each month to holders of record on the last business day of each preceding month.

Distributable cash refers to the cash available for distribution to unitholders which distribution will be made on a monthly basis, based on the estimated cash available for distribution on an annual basis. The distributions will be based upon cash receipts of the Fund less amounts which may be paid by the Fund in connection with any cash redemptions or repurchases of units and expenses and liabilities of the Fund, if any. The Fund may make additional distributions in excess of the monthly distributions during the year at the sole discretion of the Trustees of the Fund. It is anticipated that taxable income will be allocated to the unitholders equal to cash distributions made payable by the Fund in respect of the year.

The Trust

The policy of the Trust is to make monthly cash distributions to the Fund of all of its cash receipts, after satisfaction of its interest obligations, expenses and liabilities, if any. The Trust will be dependent for its cash flow on distributions on its direct and indirect investments in the Partnership and TTSI.

The Partnership

The policy of the Partnership is to make monthly cash distributions of all of its available cash flow to the Trust, as the sole limited partner of the Partnership, and to TTSI, as the general partner of the Partnership, in accordance with the partnership agreement, provided that cash which TTSI does not require for payment of its obligations and expenses and dividends on Exchangeable Shares will be retained by the Partnership. Monthly cash distributions by the Partnership will be based upon its estimated cash flow on an annual basis, less estimated cash amounts required for debt service obligations, sustaining capital expenditures, cash taxes, other expense amounts and reserves (including amounts for capital expenditures and working capital and to stabilize the monthly amount of distributions to unitholders).

The Partnership made monthly cash distributions in respect of the period from February 25, 2005 to December 31, 2005, to the limited partner and the general partner of the Partnership. The distributions by the Partnership were used in part to fund monthly distributions totalling $0.7386 per unit to December 31, 2005 to the Fund's unitholders, and to fund monthly dividends to December 31, 2005 on outstanding Exchangeable Shares of TTSI of $0.7386 per share plus an "Equalization Amount"(1) totalling $0.1047 per share.

Capital and other expenditures could also be financed with borrowings under the credit facilities, other borrowings or additional issuances of units and from cash which is retained in the Partnership as a result of the Exchangeable Shares on which dividends are not intended to be paid ($3.8 million or $0.7386 per share retained for distributions for the period from February 24, 2005 to December 31, 2005 related to the non-cash-dividend-

(1) *Equalization Amount means one-twelfth of the product obtained by multiplying (i) the quotient obtained by dividing the annual public expenses of the Fund by the number of Units issued and outstanding, by (ii) the quotient obtained by dividing the number of units issuable on exchange of the TTSI Exchangeable Shares issued and outstanding by the number of Units issuable on exchange of TTSI Exchangeable Shares issued and outstanding on which cash dividends are intended to be paid.*

paying Exchangeable Shares). See "Outstanding Securities Data". The credit facilities may also be used to stabilize monthly cash distributions having regard to seasonal fluctuations in cash flow of the Partnership. See "Quarterly Results".

Outstanding Securities Data

As at March 9, 2006, the Fund had the following number of securities outstanding or reserved for issuance:

Units	12,528,515
Units reserved (1)	10,281,455
Fully diluted Units	22,809,970

There are 4,798,988 Units reserved relating to Exchangeable Shares that receive monthly cash dividends that flow from distributions from the Partnership and 5,482,467 Units reserved relating to Exchangeable Shares which do not receive monthly cash dividends but have a monthly increase in their exchange ratio in lieu of such cash dividends.

There are 10,281,455 Exchangeable Security Voting Rights, entitling the holders of Exchangeable Shares of TTSI to one vote per right at meetings of holders of Units of the Fund.

(1) Reserved for issuance pursuant to Exchangeable Shares of TTSI, which are exchangeable for Units of the Fund.

Overview of our Business

The Partnership

Trimac is Canada's largest bulk trucking services provider, with operations from coast to coast. We are engaged in transporting a diverse range of products for a large, well-established customer base. Products transported by Trimac include chemicals, petroleum, cement, edible dry and liquid products, asphalt, compressed gases, woodchips and other wood residual products. Trimac also provides complementary logistics services through subsidiaries (Bulk Plus), including distribution management, freight brokerage services and transloading facility operations. Headquartered in Calgary, Alberta, the Partnership provides Canadian domestic and international cross-border bulk trucking services. Bulk Plus operates its logistics business across Canada and also in the United States.

The trucking business is managed within two divisions (western and eastern) that are primarily geographic in composition. Bulk Plus' business includes North American logistics services in related product lines as noted above; it is managed and reported as a separate division.

Key Factors Affecting the Business

The Partnership

Trimac's business is subject to numerous risks and uncertainties outside the control of its management. The key factors are:

General economic conditions – The business of Trimac has a general correlation with the varying strength of the Canadian economy. The wide range of products transported and the geographic dispersion of Trimac's operations across Canada provide Trimac with a degree of diversification such that it is not dependent upon any particular industry, customer or geographic region.

Labour – Labour costs comprise the largest single cost in the bulk trucking business. The ability of Trimac to negotiate fair and equitable pay for its labour force, some members of which are represented by unions, is an important factor in its success. The trucking industry is suffering from a shortage of qualified drivers and the industry is facing significant wage pressure to attract new entrants. The ability of Trimac to continue to attract and retain qualified drivers is an important factor in its success.

Fuel prices – Diesel fuel is Trimac's second-largest operating cost. Changes in fuel prices are mitigated by fuel price adjustment clauses in almost all of Trimac's contracts. However, in some circumstances, recovery of costs is subject to negotiation with customers and there is usually a time lag between the cost increase and recovery.

Weather – Weather can have a significant impact on the profitability of Trimac's operations. Adverse weather can impede the movement of bulk materials and increase operating costs for the materials that can be transported or reduce customers' or consignees' requirements for materials.

Foreign currency exchange – Trimac is primarily a Canadian business; however, certain customers that it derives revenues from on international transportation between Canada and the United States pay their invoices in U.S. currency. The majority of Trimac's operating expenses on cross-border transportation are incurred in Canadian funds. This revenue, in some cases, is exposed to the effects of changes in Canada/U.S. exchange rates. Trimac has mitigated this risk by instituting exchange surcharges to certain customers. Trimac is also exposed to exchange fluctuations with respect to a Shared Services Agreement with an affiliated company, Trimac Management Services Limited Partnership (TMSLP). The Shared Services Agreement provides for an allocation of TMSLP's expenses (mostly denominated in Canadian dollars) between Trimac and certain affiliated U.S. companies. This allocation is a sharing of expenses generally on a *pro rata* basis based on the total of all revenues translated into Canadian funds such that fluctuations in the U.S. dollar could result in a different allocation of costs between the Partnership and its U.S. affiliated companies.

Tax structure – Distributable cash available for distribution to unitholders is dependent on a continuation of the current income tax regulations that allow income trusts to distribute cash flows on a pre-tax basis. The Government of Canada recently announced after a consultative process that the current income tax structure would remain intact. A new government was elected on January 23, 2006, and while management believes the new government has a similar viewpoint on the matter, there is no certainty of the continuation of the current tax structure.

Corporate Developments

Effective January 1, 2005 the Partnership purchased substantially all of the assets of TTSI relating to its Canadian bulk trucking business and its North American logistics business in exchange for an assumption of certain liabilities of TTSI, a demand note in the amount of $75.0 million and an increased general partnership interest (the "Reorganization"). On February 25, 2005, pursuant to the IPO, the Fund issued 8,598,586 units for total proceeds of $86.0 million. This amount was indirectly invested into the Partnership to acquire 8,598,586 limited partnership units. The Partnership used the proceeds to repay the $75.0 million note to TTSI, reimbursed the Fund for its costs of the offering and distributed the remainder to TTSI as a return of capital on its general partnership interest.

On March 9, 2005, the underwriters of the IPO exercised their over-allotment option to purchase an additional 429,929 units of the Fund for gross proceeds of $4.3 million. The gross proceeds were used by the Fund to indirectly acquire additional limited partnership units. The Partnership used the proceeds to reimburse the Fund for its costs of the over-allotment and distributed the remainder to TTSI as an additional return of capital to pay down debt in TTSI.

The Fund will be filing annual certificates required under Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" concurrent with completion of filing its annual filings. The certifying officers have concluded that disclosure controls and procedures are effective as at December 31, 2005. Upon completion of filing the Fund's annual filings, the signed certificates will be available on SEDAR (www.sedar.com).

Disclosure Controls and Procedures Related to Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis. This allows appropriate decisions to be made regarding public disclosure. The CEO and the CFO have evaluated the effectiveness of Trimac Income Fund's disclosure controls and procedures as defined in *Multilateral Instrument 52-109* of the Canadian Securities Administrators. These officers have concluded that such disclosure controls and procedures are effective as of December 31, 2005.

Selected Financial and Operating Information

The Fund

Consolidated Statement of Earnings and Unitholders' Equity

From commencement of operations on February 25, 2005

(millions of dollars, except per unit amounts and number of units)	Three months ended December 31, 2005	From February 25 to December 31, 2005
Share of earnings of Trimac Transportation Services Limited Partnership	1.1	2.3
Interest income	0.7	2.4
Administrative costs	(0.2)	(0.6)
Net earnings	1.6	4.1
Opening unitholders' equity	121.3	–
Issue of units through Initial Public Offering	–	86.0
Issue of units on over-allotment option	–	4.3
Issue of units through private offering	–	35.0
Distributions	(2.8)	(9.3)
Closing unitholders' equity	120.1	120.1
Basic and diluted earnings per unit ($)	0.1276	0.3265
Weighted average number of units outstanding used in computing basic earnings per unit	12,528,515	12,528,515
Weighted average number of units outstanding used in computing diluted earnings per unit	22,767,238	22,767,238

The Fund commenced operations on February 25, 2005 and earnings of the Fund's investment in Trimac have been accounted for using the equity method of accounting from commencement to December 31, 2005. Under this method, the Fund's share of earnings of Trimac, adjusted for the amortization of certain tangible and intangible assets arising from the use of purchase accounting, is reflected in the statement of earnings of the Fund

as "Share of earnings of Trimac Transportation Services Limited Partnership". The results of operations of the Fund are entirely dependent on the performance of the Partnership.

The Partnership

Financial Highlights

(millions of dollars)	Three months ended December 31, 2005	2004	Year ended December 31, 2005	2004
Revenues				
Western	48.0	44.7	177.5	173.5
Eastern	32.9	29.1	119.3	117.9
Canadian trucking	80.9	73.8	296.8	291.4
Bulk Plus Logistics	4.1	4.8	16.7	18.8
Other	–	(0.5)	0.1	0.1
	85.0	78.1	313.6	310.3
Direct costs	61.7	58.0	230.1	228.9
Selling and administrative	10.8	10.1	42.5	42.6
EBITDA (1)	12.5	10.0	41.0	38.8
Depreciation net of (gains) losses on disposal of capital assets	5.6	5.6	21.8	21.1
Operating earnings	6.9	4.4	19.2	17.7
Interest expense (net)	1.1	1.7	3.8	6.7
Earnings before taxes	5.8	2.7	15.4	11.0
Income tax expense	0.1	0.6	–	4.0
Net earnings	5.7	2.1	15.4	7.0
As a percentage of revenue				
Direct costs	72.6%	74.3%	73.4%	73.8%
Selling and administrative	12.7%	12.9%	13.6%	13.7%
EBITDA (1)	14.7%	12.8%	13.1%	12.5%
Depreciation	6.6%	7.2%	7.0%	6.8%
Operating earnings	8.1%	5.6%	6.1%	5.7%

As at December 31, (millions of dollars)	2005	2004
Total assets (2)	151.1	172.6
Total long-term liabilities (3)	57.2	111.9

The above selected financial and operating information has been derived from, and should be read in conjunction with, the consolidated financial statements of the Partnership.

(1) *EBITDA is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore EBITDA may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful complementary measure of cash available for distribution before debt service, capital expenditures and income taxes.*

(2) *The majority of the decrease in total assets is due to the Reorganization on January 1, 2005.*

(3) *The decrease in long-term liabilities is due to the Reorganization on January 1, 2005, net of an increase in debt due to the Partnership's guarantee of TTSI's debt on February 25, 2005 and certain terms in the Partnership Agreement.*

The Partnership's results are commented on below.

Annual Results

Revenue

Trimac's total revenues for the year ended December 31, 2005 were $313.6 million, an increase of $3.3 million or 1.1% from $310.3 million recorded in the year ended December 31, 2004.

The western division generated $177.5 million in revenue, an increase of $4.0 million or 2.3% over $173.5 million in the prior year. Excluding fuel surcharge revenue increases of $6.3 million, the division benefited from a robust oil and natural gas industry and increased construction activity throughout western Canada, with revenue gains in petroleum, cement, compressed gases and tractor service. All of the operations within the western division experienced year-over-year growth with the exception of the woodchip product line. The woodchip operation's revenue decreased due to a decision to exit unprofitable business during the year, a pulp mill closure in New Brunswick, and financial difficulties faced by the lumber and pulp mill industry across Canada, including higher operating costs and a rising Canadian dollar.

The eastern division's revenue increased from $117.9 million in the prior year to $119.3 million in the current year, an increase of $1.4 million or 1.1%. Excluding fuel surcharge revenue increases of approximately $5.2 million, growth related primarily to the December 1, 2005 acquisition of certain assets of Energy Transportation, a division of Superior Propane (ET). Net of fuel surcharge revenue increases, volumes declined, with the majority of the reduced revenue relating to the closure of the Oakville tote cleaning facility and lower revenues for some of the division's Atlantic province and Quebec operations.

Bulk Plus' revenues were $16.7 million, a decrease of $2.1 million or 11.2% from the prior year. The shortfall is due to the exiting of certain unprofitable U.S. freight brokerage business in 2004 and a tank farm management contract in February 2005. In addition, Bulk Plus' U.S. operation experienced lower revenues on the translation of its U.S. operating revenues due to the strengthening of the Canadian dollar over the prior year.

Direct Costs

During the current year Trimac's direct costs increased by $1.2 million to $230.1 million. Expressed as a percentage of revenue, however, direct costs declined to 73.4% from 73.8% in the prior year.

In the western division, costs increased by $1.6 million from the prior year, while as a percentage of revenue costs decreased by 0.7% to 73.0%. The improved operating percentage resulted from reduced tractor and facility rentals compared to the prior year. Other cost increases, including fuel, were offset by fuel surcharges, rate increases and operating efficiencies. The eastern division experienced an increase in direct costs of $1.2 million. However, as a percentage of revenue, its expenses of 76.6% were similar to the prior year's. Higher accident and fuel costs, as well as closure costs associated with an unprofitable tote cleaning operation, were offset by productivity gains, reductions in excess shop facility capacity, customer fuel surcharges and rate increases.

Bulk Plus' direct costs decreased by $1.5 million, or 1.8% of revenue from the prior year. The decrease in direct costs is related to the previously mentioned exiting of the tank farm and rail transload business, certain U.S. freight brokerage volumes and lower operating costs in the Canadian transload and U.S. third party logistics businesses.

Selling and Administrative

For the current year, Trimac's selling and administrative costs totalled $42.5 million or 13.6% of revenue, $0.1 million less than in the prior year and a decrease of 0.1% as a percentage of revenue. We successfully implemented centralized dispatch functions within certain regional profit centres in the western and eastern divisions during the year. In addition, we implemented a petroleum optimization centre complemented by a state-of-the-art fuel inventory and fleet management software program. These programs, along with a focus on cost controls within the region, division and corporate cost centres, have more than offset salary and other administrative cost increases experienced in 2005.

Depreciation (Net of (Gains) Losses on Disposals of Capital Assets)

Depreciation expense in the current year, net of gains on disposal, was $0.7 million higher than in the prior year. The increase in depreciation expense resulted mainly from asset acquisitions made during 2004 and 2005, as described in note 14 to the consolidated financial statements, and the buyout of a previously leased transload facility in the first quarter of 2005.

Interest Expense (Net)

For the current year interest expense was $2.9 million less than in the prior year. The decrease in interest expense for the current year resulted from the repayment and reorganization of debt as described below.

After the Reorganization, as described in notes 1 and 13 to the consolidated financial statements, our external debt of $93.0 million as shown on the December 31, 2004 balance sheet of the combined business was retained by TTSI. In conjunction with the assets acquired in the Reorganization, the Partnership issued a $75.0 million non-interest-bearing note that was repaid with proceeds from the IPO. TTSI recorded interest expense on its external debt for the period January 1, 2005 to February 25, 2005. Subsequent to the IPO, and as explained under *"Credit Facilities – Due to TTSI"*, the Partnership recorded debt on its balance sheet as an amount due to TTSI, which is equal to the external debt of TTSI. Interest expense is recorded on this debt under the same terms as TTSI's external debt. Prior year's interest is based on an average of approximately $102.0 million of external debt of the combined business. The change in debt from the combined business' December 31, 2004 balance of $93.0 million to the December 31, 2005 balance of $56.0 million is due to: a $17.0 million debt repayment from IPO proceeds, $19.0 million debt assumption by a former U.S. subsidiary, and $1.0 million of debt repaid with cash from operations for the period January 1, 2005 to February 25, 2005.

Income Tax Expense

The Partnership recorded a small recovery of income taxes in the current year, on pre-tax earnings of $15.4 million. The Partnership is not required to record taxes payable on partnership income as taxable income is allocated to its Partners and the resulting tax is paid directly by them. The minimal recovery represents taxes recoverable in subsidiaries that are taxable corporations. Income tax expense in the prior year totalled $4.0 million on pre-tax earnings of $11.0 million. TTSI and its subsidiaries were taxable corporations in the prior year; as a result, a full tax provision was booked on their earnings in the prior year. A reconciliation of income tax expense recorded to expected expense based on statutory rates is disclosed in note 7 to the Partnership's consolidated financial statements.

Net Earnings

Net earnings in the current year increased by $8.4 million over the prior year's net earnings as a result of the increase in EBITDA of $2.2 million, the $4.0 million reduction in income tax expense due to the different tax structure and the interest expense reduction of $2.9 million. This increase in earnings was partially offset by incremental depreciation expense (net of gains on asset disposals) of $0.7 million.

Quarterly Results

Revenue

Trimac's revenue of $85.0 million for the three-month period ended December 31, 2005 was $6.9 million or 8.8% higher than in the three-month period ended December 31, 2004.

Revenues in the western division increased from $44.7 million to $48.0 million, an increase of $3.3 million or 7.3% over the prior year's quarter. Excluding fuel surcharge revenue increases, demand was strongest in Alberta, with mild weather and increased economic activity in oil and natural gas, construction and mining sectors providing growth in our related products lines. Revenue volatility continued in the woodchip product line during the quarter with lower volumes due to exiting of unprofitable business in B.C., labour shortages in Alberta and mill closures in New Brunswick.

The eastern division's revenue increased from $29.1 million in the fourth quarter of 2004 to $32.9 million in the current period, an increase of $3.8 million or 13%. The revenue growth was derived from the asset acquisition of ET, increased fuel surcharge revenue, and customer rate increases. This growth revenue was partially offset by lower revenues due to the closure of an unprofitable tote cleaning facility and prior business losses in the Atlantic provinces. Petroleum, chemicals and plastic product lines experienced increased revenues in the Ontario and Quebec operations.

Bulk Plus' revenues for the current period decreased $0.7 million from the prior year's quarter. Bulk Plus' Canadian logistics operation revenues declined slightly in the current period due primarily to non-recurring consulting revenues in the prior period. Bulk Plus' U.S. revenues declined due to management's decision to exit a tank farm management contract in the U.S. at the end of February 2005, and a lower exchange rate on translation of Bulk Plus' U.S. based revenues.

Direct Costs

Trimac's direct costs increased by $3.7 million in the current period over the prior period. Expressed as a percentage of revenue, costs decreased from 74.3% to 72.6%. Higher volumes generated additional direct costs during the quarter, although as a percentage of revenue, operating costs decreased. The significant factors resulting in the decreased percentage of revenue were improved utilization and warmer weather that reduced traditionally higher operating costs for fuel, utilities and equipment repairs from costs incurred in the prior period. Cost increases in driver and hourly wages, independent contractor expenses, subcontractor expenses and fuel costs were largely recovered by customer rate increases and fuel surcharges in the quarter.

The western division's direct costs increased by $1.6 million over the prior period, while as a percentage of revenue they decreased by 1.6% to 71.7%. Changes in the business mix within the division and lower accident and repair costs positively impacted the western division's results in the current period. The eastern division's direct costs increased by $2.6 million over the prior period, but expressed as a percentage of revenue they decreased by 1.4% to 76.2%. The ET asset acquisition accounted for a large portion of the increased operating costs; however, these were at a lower percentage of revenue as the operation has transportation rates that reflect its seasonality and higher volumes in the winter months. Fuel and driver cost increases were substantially recovered by fuel surcharges and customer rate increases in the current period.

Bulk Plus experienced a decrease in direct costs from the prior period of $0.4 million or 1.4% of revenue. The primary reason for the decrease was reduced operating costs in Bulk Plus' Canadian brokerage business and a change in Canadian product line mix from higher-operating-cost brokerage services to lower-operating-cost transload services.

Selling and Administrative

Trimac's selling and administrative expenses increased by $0.7 million from the prior period, while expressed as a percentage of revenue decreased by 0.2%. Additional costs were incurred for ET's operational administration and to reserve for a bad debt due to a western division customer filing under the Companies' Creditors Arrangement Act and for incremental incentive as a result of increased profitability in the quarter.

Depreciation (Net of (Gains) Losses on Disposals of Capital Assets)

Trimac's depreciation expense net of gains on disposal was $5.6 million, similar to the prior period. Higher depreciation was offset by higher gains on equipment disposals than in the prior period. This is explained more fully under Annual Results.

Interest Expense (Net)

The Partnership's net interest expense was $1.1 million in the current period, representing a decrease of $0.6 million from the prior period. The decrease in interest expense is due to lower debt levels than in the prior period, which relates to the IPO completed on February 25, 2005.

Income Tax Expense

The Partnership recorded a minimal provision for income taxes in the current period, on pre-tax earnings of $5.8 million. The decrease from the prior period is due to the different tax structure, as explained under Annual Results.

Net Earnings

Trimac's net earnings in the current period were $5.7 million, an increase of $3.6 million over the prior period. Increased EBITDA of $2.5 million and reduced interest and taxes of $1.1 million accounted for the increased net earnings in the current period.

Summary of Eight Most Recently Completed Consolidated Quarterly Results

(millions of dollars, except % of revenue)	Q4 05	Q3 05	Q2 05	Q1 05	Q4 04	Q3 04	Q2 04	Q1 04
Revenue	85.0	78.0	77.4	73.2	78.1	80.5	79.5	72.2
EBITDA(1)	12.5	10.5	10.3	7.7	10.0	11.5	10.8	6.5
% revenue	14.7%	13.5%	13.3%	10.5%	12.8%	14.3%	13.6%	9.0%
Net earnings (loss)	5.7	4.1	3.9	1.7	2.1	2.9	2.3	(0.3)

(1) EBITDA is a non-GAAP earnings measure that does not have a standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers.

Fluctuations in EBITDA by quarter reflect the seasonality of Trimac's business. Revenues and EBITDA in the first quarter and, to a lesser extent, in the fourth quarter, are generally lower than in the second and third quarters due to lower construction-related volume, colder weather, higher operating costs and lower operating efficiencies in colder weather. The second and third quarters are generally the most profitable quarters for Trimac, primarily

due to construction-related products and increased economic activity from industries using raw materials that we haul, generating higher volumes and increased utilization of our equipment at lower operating costs. The fourth quarter of 2005 was favourably impacted by improved results due to unseasonably warmer weather, higher oil and natural gas activity and the asset acquisition of ET.

Liquidity and Capital Resources

The Fund

Monthly distributions, declared payable on or about the 15th day of each month to unitholders of record on the last day of each month, totalled $9.3 million or $0.7386 per unit to December 31, 2005. The initial distribution rate of $0.0825 per unit was for the period February 25, 2005 to March 31, 2005, which included a pro-rated distribution for February, and a full month for March. The current monthly distribution of $0.0729 per unit represents cash distributions of $0.875 per unit annually. Distributions by the Fund are entirely dependent on the performance of the Partnership and its ability to make distributions to the Fund, a discussion of which follows below.

The Partnership

Trimac maintains a revolving credit facility of up to $25.0 million to manage capital expenditures and working capital requirements throughout the year. The following table provides an overview of Trimac's cash flows for the periods indicated.

Year ended December 31, (millions of dollars)	**2005**	2004
Cash from operations	**37.0**	26.0
Net change in non-cash working capital	**0.4**	2.7
Investment activities	**(17.0)**	(17.2)
Financing activities	**(13.5)**	(9.6)
Increase in cash	**6.9**	1.9

As at December 31, (millions of dollars)	**2005**	2004
Cash	**6.7**	–
Bank indebtedness	**–**	0.2
Bank advances	**–**	2.2
Long-term debt	**56.0**	93.0
Working capital	**19.7**	14.6
Partnership/divisional equity	**59.7**	23.8

Operating Activities

Trimac's cash from operations increased by $11.0 million in the current year over the prior year due to the $2.2 million increase in EBITDA, a reduction of net interest expense of $2.9 million, a $5.7 million reduction in current tax expense and a $0.2 million increase in other non-cash expenses.

Net Change in Non-Cash Working Capital

Year ended December 31, (millions of dollars)	2005	2004
Accounts receivable	(0.1)	(0.3)
Material and supplies	(0.4)	–
Income taxes receivable/payable	0.3	0.8
Prepaid expenses	1.7	(0.8)
Accounts payable and accrued liabilities	(2.8)	6.8
Due to/from associated companies	1.7	(3.8)
	0.4	2.7

The Partnership's prepaid expenses decreased during the current year from the prior year due mainly to IPO costs that were accrued at December 31, 2004 and included in prepaid expenses. These costs were allocated to the cost of the transaction in 2005. Accounts payable and accrued liabilities decreased during the current year mainly due to payment of certain IPO costs accrued in the prior year-end and paid during the current year. Due to/from associated companies increased by $1.4 million due to an interest accrual of approximately four months' interest owing to TTSI for semi-annual interest payments and balances outstanding due to timing differences between cash receipts and payment of costs on behalf of certain associated companies. The balances outstanding, with the exception of interest payable, are paid monthly.

TTSI Reorganization

Effective January 1, 2005, the Partnership purchased substantially all of the net assets of TTSI relating to its Canadian bulk trucking business and its North American logistics business in exchange for an assumption of certain liabilities of TTSI, a demand note in the amount of $75.0 million and an increased general partnership interest. A reconciliation of the assets transferred is listed below:

(millions of dollars)	Combined business net assets December 2004	Net assets transferred to the Partnership	Net assets retained in TTSI
Current assets	51.4	46.8	4.6
Capital assets	96.6	96.6	–
Due from associated companies	19.8	–	19.8
Goodwill	3.6	3.6	–
Other assets	1.2	1.2	–
Total assets	172.6	148.2	24.4
Current liabilities	(36.9)	(30.8)	(6.1)
Long-term debt	(93.0)	–	(93.0)
Due to associated partnership	(7.3)	–	(7.3)
Future taxes	(10.1)	–	(10.1)
Other long-term liabilities	(1.5)	(1.0)	(0.5)
Total liabilities	(148.8)	(31.8)	(117.0)
Net divisional/partnership equity before note issued	23.8	116.4	(92.6)
Note payable	–	(75.0)	75.0
Divisional/partnership equity	23.8	41.4	(17.6)

Investing Activities

Trimac's cash outflows, relating to investing, decreased marginally by $0.2 million in the current year from the prior year. Capital additions in the current year include a $4.9 million buyout of a previously leased transload facility in February 2005. Excluding the one-time lease buyout, Trimac's net capital spending for growth, sustaining and asset acquisitions was $3.5 million lower than in the prior year. See Capital Expenditures below. Proceeds received on the disposal of capital assets were $2.5 million during the current year as compared to $2.7 million received in the prior year. Proceeds during 2005 included $0.6 million for the disposal of a terminal facility in Regina, Saskatchewan as compared to proceeds of $1.0 million from the disposal of a terminal facility in Calgary, Alberta in 2004.

Financing Activities

In the current year, Trimac's cash flow used in financing activities was a net cash outflow of $13.5 million, which resulted from $12.0 million of distributions paid and an additional $1.5 million of IPO costs incurred by the Partnership.

In the prior year, the net cash outflow relating to finance activities was $9.6 million, which included $16.1 million of current and long-term debt repayments offset by $0.3 million of net distributions received and $6.2 million of net funds received from associated entities. The net distributions received included $3.5 million received from a wholly owned partnership mostly offset by $3.2 million of dividends paid to TTSI's parent company. The net amount received from associated entities includes $17.0 million received from the above-noted wholly owned partnership partially offset by $10.8 million advanced to another associated company.

Capital Expenditures

(millions of dollars)	From January 1 to February 24, 2005	From February 25 to December 31, 2005	Total
Gross sustaining capital (1)	0.9	8.8	9.7
less: proceeds	(0.3)	(2.2)	(2.5)
Net sustaining capital (1)	0.6	6.6	7.2
Growth capital (1)	0.2	2.2	2.4
Lease buyout (2)	4.9	–	4.9
Net capital expenditures	5.7	8.8	14.5

(1) Gross sustaining capital, net sustaining capital and growth capital expenditures are not measures recognized by GAAP, do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similarly named measures presented by other issuers. Management believes that they are important and useful measures for readers to evaluate the performance of the Fund.

(2) Represents the purchase of a previously leased transload facility in Trail, B.C., acquired in February 2005 prior to the IPO.

(3) Excludes acquisition of transportation assets totalling $2.7 million, disclosed as a separate line item in the Partnership's consolidated statement of cash flows. See note 14 of the Partnership's consolidated financial statements for more details.

Exclusive of the purchase of a previously leased transload facility, the Partnership's net capital expenditures, including growth and sustaining capital for the current year, totalled \$9.6 million compared to \$13.1 million in the prior year. Purchases of replacement tractors and trailers accounted for approximately 79% of total gross sustaining capital expenditures, with the balance applicable to other assets required in the operations. Trailers accounted for approximately 93% of growth capital in the year, with other operating assets accounting for the balance. The \$4.9 million of capital related to a lease buyout of a transload facility, which was acquired prior to the IPO, in February 2005.

Trimac's capital asset base is representative of the assets required to sustain the current level of cash flows in 2006. During the prior year, the combined business purchased information technology (IT) assets of approximately \$1.5 million that included project capital of \$1.0 million and sustaining infrastructure capital of \$0.5 million. In 2005, IT asset purchases for sustaining infrastructure capital were recorded in an associated partnership that provides shared services to Trimac, including IT services. Sustaining capital requirements in 2005 were lower than in the prior year due to the above-mentioned IT purchases and reduced trailer replacement requirements. These reduced replacement trailer purchases were in turn due to lower volumes and miles experienced in certain product lines and areas, which lessened equipment wear and allowed for the redeployment of excess trailers to other operations.

Net annual capital expenditures relating to sustaining capital requirements will vary from year to year based on the economic life of the capital assets, historical purchase dates, the mix of life cycles expiring in a given year, other factors affecting equipment cost, disposal proceeds of replaced assets and annual equipment utilization.

Credit Facilities

Due to TTSI – The amount due to TTSI relates to the portion of TTSI's partnership interest that is equal to the outstanding balance of the senior note and revolving credit facility retained by TTSI ("TTSI Debt") (see "TTSI Reorganization"). The Partnership has guaranteed the TTSI debt and under the terms of the partnership agreement, the amount due is callable by TTSI when desired or in the event that TTSI is required to repay any of the TTSI Debt. The Partnership and TTSI have entered into an agreement whereby TTSI has agreed not to call the TTSI Debt except when required under the terms of the TTSI Debt. Therefore, the repayment terms are equal to the terms of the senior note and revolving credit facility held by TTSI. In addition, the partnership agreement requires that a priority distribution be made to TTSI equal to the interest that TTSI pays on the TTSI Debt. Given the terms of the partnership interest noted above, \$56.0 million has been reclassified from partnership equity to long-term debt and distributions related to this partnership interest have been classified as interest expense on the consolidated statements of earnings. The amount outstanding on December 31, 2005 was \$56.0 million. See "Senior notes" below.

Revolving facilities – Trimac has an unsecured $25.0 million revolving facility with a major Canadian bank. The facility is used to fund seasonal working capital and capital expenditures. The revolving credit facility bears interest at a floating rate based on the prime rate for the currency drawn or bankers' acceptance rates plus, in each case, an applicable margin to those rates. There are no principal repayments required under this facility provided Trimac is in compliance with specified loan covenants. The agreement is a 364-day revolver subject to renewal in July 2006. If the agreement is not renewed, the loans are repayable at the end of a 12 month term-out period. As at December 31, 2005, unused lines of credit totalled $18.5 million after taking into account $6.5 million of issued letters of credit.

Senior notes – TTSI has an unsecured $56.0 million private placement debt at a fixed rate of 7.29%, which was issued in 1999. No payments on principal are required until August 2008, at which time annual payments of $18.7 million are required until the note matures on August 20, 2010. Semi-annual payments of interest are required. The original note of $85.0 million was outstanding on December 31, 2004. As a result of the IPO, a former U.S. subsidiary of TTSI assumed $19.0 million and $10.0 million was repaid on February 25, 2005. The revolving credit facility and the private placement debt have specified financial covenants and all of the covenants have been complied with as of December 31, 2005 (see note 6 of the Partnership's consolidated financial statements).

Trimac anticipates it will have adequate financial resources to fund ongoing operations. Capital expenditure patterns and debt levels are seasonal in nature. During the period March through September, Trimac generally purchases and takes delivery of new equipment and requires working capital for increases in receivables and prepaid insurance and licences. This seasonal debt has historically been repaid from operating cash flows by the end of each fiscal year based on the operating performance of the business.

Off-Balance-Sheet and Contractual Obligations

Trimac's material off-balance-sheet and contractual obligations are disclosed below:

As at December 31, 2005 (millions of dollars)	Total	Payments due by period <1 year	1-3 years	4-5 years
Operating leases – revenue vehicles	1.6	1.0	0.6	–
Operating leases – facilities	2.7	1.2	1.2	0.3
Operating leases – other (1)	1.9	0.9	0.7	0.3
Fuel contract commitments (2)	9.1	6.8	2.3	–
Long-term debt payments	56.0	–	18.7	37.3
Total contractual obligations	71.3	9.9	23.5	37.9

(1) Other operating leases are primarily office equipment including computers, copiers and fax machines.

(2) Under the terms of a customer contract that expires on April 30, 2007, Trimac is committed to purchase 10.0 million litres of fuel per year at prevailing market prices from the customer. The fuel liability has been estimated using a price per litre of approximately 70 cents.

Transactions with Related Parties

The Fund

The Fund, indirectly, invested in notes receivable of $35.0 million from TTSI. The note is due on February 25, 2030, is unsecured and interest is payable monthly at the rate of 8% per annum. The Fund earned interest income of $2.4 million during the current year.

Amounts due from the Partnership relate to amounts incurred in the ordinary course of business and are owing from the Partnership. The balance is non-interest-bearing and paid monthly.

The Partnership

During the current year, the Partnership received administrative services provided by a partnership under common control. Services costing $11.5 million were provided under the shared services agreement for the current year. At December 31, 2005, $1.5 million was payable and included in due to associated companies and partnerships.

During the prior year, the combined business provided all of the administrative services directly through a subsidiary company. The prior year's expenses totalled $23.8 million of which $10.2 million was charged to a U.S. subsidiary and the remainder of $13.6 million was absorbed by the combined business. Included in the 2004 shared service allocation of $13.6 million to the combined business were certain expenses related to the Trimac operations exclusively. These costs were removed from the shared services agreement and expensed as a direct charge in the Partnership's 2005 administrative expenses. The combined total of Trimac's shared services allocation and exclusive expenses incurred directly by the Partnership in 2005 was $13.3 million, a decrease of $0.3 million or 2.2% from the prior year.

Due to/from associated companies and partnerships in current liabilities/assets relates to amounts incurred in the ordinary course of business and is owed to or from certain U.S. or Canadian associated companies or partnerships of TTSI. The balances are non-interest-bearing and paid monthly. The long-term due from associated companies as at December 31, 2004 was a receivable from Trimac Corporation, the former parent of TTSI, of which $16.0 million bore interest at prime plus 0.75% while the remainder was non-interest-bearing. The long-term due to associated partnership was a non-interest-bearing payable to a wholly owned partnership of Trimac.

Trimac Holdings Ltd., the parent of TTSI, commonly controls the above associated companies and partnerships.

Distributable Cash

The table below represents the Partnership's distributable cash beginning with cash provided by operations.

(millions of dollars except unit amounts, certain percentages and number of units)	Three months ended December 31, 2005	February 25 to December 31, 2005
Net cash provided by operations	12.7	39.5
Net change in non-cash working capital (1)	(1.5)	(6.6)
Net sustaining capital (net of proceeds) (2) (3)	(1.6)	(6.6)
Total estimated cash available for distribution (before public expenses)	9.6	26.3
Percentage of available cash distributable to unitholders (4)	55%	55%
Cash available for distribution to unitholders (before public expenses)	5.2	14.5
Public expenses (5)	(0.3)	(0.6)
Distributable cash available to unitholders (6)	4.9	13.9
Distributions declared and payable	2.8	9.3
Distributable cash per unit	0.3937	1.1094
Distributions declared per unit	0.2187	0.7386
Payout ratio (6)	55.6%	66.6%
Weighted average number of units outstanding	12,528,515	12,528,515
Net capital expenditures		
Sustaining capital expenditures	1.9	8.8
Proceeds on disposal of replaced assets	(0.3)	(2.2)
Net sustaining capital expenditures	1.6	6.6
Growth capital expenditures (2) (7)	0.5	2.2
	2.1	8.8

(1) Changes in operating assets and liabilities are not considered a source of distributable cash.

(2) Distributable cash, net sustaining capital expenditures, and growth capital expenditures are not measures recognized by GAAP, do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similarly named measures presented by other issuers. Management believes that they are important and useful measures for readers to evaluate the performance of the Fund.

(3) Net sustaining capital expenditures refers to capital expenditures, net of proceeds on disposal of assets replaced, that are necessary to sustain current revenue levels.

(4) Percentage is equal to total units outstanding of 12,528,515 divided by fully diluted units of 22,767,238.

(5) Represent public expenses borne by the Fund for the period.

(6) Distributable cash available will fluctuate on a monthly basis due to seasonal cash flows, sustaining capital incurred, income taxes paid and interest costs on outstanding debt.

(7) Cash used to fund growth capital expenditures does not affect distributable cash to unitholders where financing is available for these purposes.

Trimac's Board of Directors approves the level of monthly distributions based upon Trimac's estimated cash flow on an annual basis, less estimated cash amounts required for debt service obligations, sustaining capital expenditures, cash taxes, other expense amounts and reserves (including amounts for capital expenditures and working capital) and to stabilize the monthly amount of distributions to unitholders.

The distributable cash payout ratio was influenced by stronger-than-expected cash flows in the fourth quarter and reduced sustaining capital requirements in 2005. The reduction in sustaining capital was primarily due to reduced information technology capital and replacement trailers. See "Capital Expenditures" for details on capital spending in 2005.

Critical Accounting Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported values of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. Accordingly, actual results could differ from these estimates.

The accounting policies that are critical to Trimac's business relate to (i) depreciation policies in respect of capital assets and (ii) the determination of accounting provisions for various liabilities in its financial statements.

Capital Assets

Capital assets are recorded at cost.

Revenue vehicles are depreciated over seven to 10 years with estimated residual values of 4% to 5%. Industry norms for residual values range from 5% to 15%. Material gains or losses on disposal have not been recorded over the years, which lends support to the appropriateness of this policy.

Buildings are depreciated over 25 years. Normal depreciation rates for buildings range from 15 to 40 years. Management feels that the depreciation policy accurately reflects the amortization of the useful life of buildings acquired for use in operations. Gains on disposal that have occurred are a reflection of property value increases rather than inappropriate depreciation policies.

Enterprise Resource Planning (ERP) software product costs are being depreciated over seven years. ERP product costs relate primarily to three major projects initiated in 1997 to 1999. All of the systems are performing as anticipated and management believes that the useful life of each program currently supports the capitalized value.

Provision Balances

Trimac has recorded provisions for various liabilities on its books, in which a certain amount of judgment is used in the determination of their balance. Some of the more significant items are as follows:

Insurance – Claims are accrued to a specified maximum deductible for auto liability claims, based on estimates developed by management. Costs incurred are offset against the accrual.

Allowance for bad debts – Accounts are monitored on an ongoing basis and a provision is established based on historical experience.

Management is of the opinion that estimates used in the preparation of the financial statements have been made on a consistent basis over the years and accurately reflect the financial position of Trimac. Accrual balances have remained relatively consistent and experience has proved them to be adequate.

Goodwill

Under the provisions of CICA Handbook Section 3062, concerning goodwill, Trimac tested goodwill for impairment in 2005 and 2004 by comparing the fair value of each reporting unit to the carrying value of the unit. It was determined that no impairment of goodwill had occurred.

Financial Instruments

While the availability of derivative financial instruments with respect to foreign exchange and interest rates is monitored, it has not been considered necessary to hedge such items.

Outlook

Trimac believes that the funds available under its credit facilities and ongoing cash flow from operations will be sufficient to allow it to meet ongoing requirements for capital expenditures, working capital and distributions at existing business levels. Trimac's future needs may, however, change, and in such event, Trimac's ability to satisfy its obligations and make distributions will be dependent upon its future financial performance, which in turn will be subject to a number of risks and uncertainties, including elements beyond its control.

Our focus in 2005 was to improve profitability by reducing operating costs, increasing equipment utilization and securing rate increase on non-compensatory business. This focus will continue in 2006 as we also strive to grow our revenues by expanding our business with existing and new customers and accretive acquisitions. Trimac continues to place a great deal of emphasis on retaining and recruiting sufficient drivers, independent contractors, mechanics and hourly technicians to support the growth of our business. The western division and Bulk Plus are expected to continue to grow and experience enhanced profitability. In the eastern division, we look forward to further improvements in the results of our Ontario and Quebec-based operations. Some improvement in woodchips operations in B.C., Alberta and Ontario is likely, although we expect continued volatility in this business segment due to difficult industry conditions. Atlantic Canada operations continue to under-perform, with market conditions not expected to improve in the short term. Strong fundamentals in the majority of the industries we serve, together with capacity shortages and continued focus on proactive management of equipment utilization and operating costs, lead to a positive outlook for our business.

Forward-Looking Statements

This MD&A contains statements concerning the outlook for Trimac's business or other expectations, plan, goals, objectives, assumptions, information or statements about future events, conditions, results of operations or performance that may constitute forward-looking statements or information under applicable securities legislation. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this MD&A, assumptions have been made regarding, among other things, the level of business activity. Words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict" and words and expressions of similar import are intended to identify these forward-looking statements. Although Trimac believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trimac can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Trimac and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

General economic conditions – Certain product lines of Trimac are dependent on the general economic conditions of the regions it operates in and cash flows may be negatively impacted by economic downturns in any particular region.

Labour – Trimac's cash flow and growth are dependent on its ability to hire and retain quality drivers and mechanics.

Fuel – Rising fuel prices and the ability of Trimac to recover cost increases in the marketplace may impact cash flow.

Weather – Adverse weather may impact Trimac's transportation of goods and increase operating costs.

Foreign currency exchange – The strengthening Canadian dollar may impact Trimac's customers' cost competitiveness and negatively impact the volume of goods transported.

Tax structure – Changes in government regulation may negatively impact Trimac's distributable cash.

Environmental considerations – Changes in environmental law may impact operating costs.

Seasonality of business – Financial results may be impacted by the seasonality of the business.

Information technology – Cash flow could be adversely affected by an event that caused irreparable damage to Trimac's operating systems and databases or information contained in the database.

Competitive conditions – There can be no assurance that Trimac will be able to compete successfully against its current or future competitors or that competition will not have a material adverse affect on its results of operations and financial condition.

Financing – No assurances can be made that financing will be available when required by business needs.

The foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other factors which may affect Trimac's operations or financial results are included under the heading "Risk Factors" in the Fund's prospectus and as may be updated in the Fund's annual and interim Management's Discussion and Analysis and Annual Information Form, which are or will be filed with securities regulators. The Fund undertakes no obligation to update publicly or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Management's Responsibility for Financial Information

To the Unitholders of Trimac Income Fund

The accompanying consolidated financial statements and all information in the Annual Report have been prepared by management and approved by the Board of Trustees of the Fund and the Board of Directors of Trimac Transportation Services Inc. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Management is responsible for the accuracy, integrity and objectivity of the consolidated financial statements within reasonable limits of materiality and for the consistency of financial data included in the text of the Annual Report with that in the consolidated financial statements.

Where estimates are used in the preparation of these financial statements, management has ensured that careful judgment has been made and that these estimates are reasonable, based on all information known at the time the estimates are made.

The Board of Trustees of the Fund and Board of Directors of Trimac Transportation Services Inc. are responsible for ensuring that management fulfills its responsibilities for financial reporting, and each Board has reviewed and approved these consolidated financial statements, Management's Discussion and Analysis and Annual Report.

PricewaterhouseCoopers LLP has independently audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report outlines the nature of their audits and expresses their opinion on the consolidated financial statements.

Terry J. Owen
President
& Chief Executive Officer
Trimac Transportation Services Inc.

Edward V. Malysa
Vice President
& Chief Financial Officer
Trimac Transportation Services Inc.

Auditors' Report – Trimac Income Fund

To the Trustees of Trimac Income Fund

We have audited the consolidated balance sheet of Trimac Income Fund as at December 31, 2005 and the consolidated statement of earnings and unitholders' equity and cash flows for the period, from commencement of operations, February 25, 2005 to December 31, 2005. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2005 and the results of its operations and its cash flows for the period, from commencement of operations, February 25, 2005 to December 31, 2005 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta, Canada

March 8, 2006

Trimac Income Fund
Consolidated Financial Statements

Consolidated Balance Sheet

As at December 31, *(thousands of dollars)*		2005
Assets		
Current Assets		
Cash	$	137
Interest receivable (note 5)		238
Distributions receivable (note 4)		632
Due from Trimac Transportation Services Limited Partnership (note 5)		33
Prepaid expenses		29
		1,069
Investment in Trimac Transportation Services Limited Partnership (notes 1 and 3)		85,153
Note receivable from Trimac Transportation Services Inc. (note 5)		35,000
		121,222
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities		187
Distributions payable (note 4)		913
		1,100
Unitholders' Equity (note 6)		120,122
		121,222

On behalf of Trustees

Gerald A. Romanzin
Trustee

Rhys T. Eaton
Trustee

Consolidated Statement of Earnings and Unitholders' Equity

From commencement of operations on February 25, 2005 to December 31, (thousands of dollars, except per unit amounts and number of units)	2005
Share of earnings of Trimac Transportation Services Limited Partnership (note 3)	$ 2,268
Interest income (note 5)	2,378
Administrative costs	(555)
Net earnings for the period	4,091
Opening unitholders' equity	-
Issue of units through Initial Public Offering (note 1)	85,986
Issue of units on over-allotment option (note 1)	4,299
Issue of units through private offering (note 1)	35,000
Distributions (note 4)	(9,254)
Closing unitholders' equity	120,122
Basic and diluted earnings per unit ($) [(1)]	0.3265
Weighted average number of units outstanding used in computing basic earnings per unit	12,528,515
Weighted average number of units outstanding used in computing diluted earnings per unit[(1)]	22,767,238

(1) Pursuant to an investor liquidity agreement, holders of TTSI Exchangeable Shares have the right to effectively liquidate their 9,846,313 shares of TTSI and receive units in the Fund on the basis as described in note 6. Following the full exercise of such liquidation rights, the Fund would own 100% of the Partnership. The number of units used in the calculation of diluted earnings per unit assumes full liquidation at the beginning of the period. The impact of the exchange has not been disclosed, as it is anti-dilutive.

Consolidated Statement of Cash Flows

From commencement of operations on February 25, 2005 to December 31, (thousands of dollars)	2005
Cash provided (used)	
Operations	
Net earnings	$ 4,091
(Deduct) add items not affecting cash:	
Share of earnings of Trimac Transportation Services Limited Partnership (note 3)	(2,268)
Distributions from Trimac Transportation Services Limited Partnership	2,268
Cash provided by operations	4,091
Net change in non-cash working capital	(113)
Net cash provided by operations	3,978
Investments	
Investment in Trimac Transportation Services Limited Partnership (note 1)	(90,285)
Advance to Trimac Transportation Services Inc. (note 1)	(35,000)
Distributions from Trimac Transportation Services Limited Partnership	4,500
Cash used in investing activities	(120,785)
Financing	
Proceeds on issue of units (note 1)	125,285
Distributions paid	(8,341)
Cash provided by financing activities	116,944
Increase in cash	137
Cash, beginning of period	–
Cash, end of period	137
Supplemental information	
Cash received from interest	2,140

Trimac Income Fund – Notes to the Consolidated Financial Statements

(thousands of dollars, except for per unit amounts and number of units or shares)

1. Description of the Fund

Trimac Income Fund (the "Fund") is a limited-purpose trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust dated January 7, 2005 as amended and restated by the Amended and Restated Declaration of Trust dated February 17, 2005. The Fund has been created to invest, through TIF Commercial Trust, a newly constituted wholly-owned trust of the Fund (the "Trust") in the Canadian bulk trucking business and logistics businesses, through the acquisition of a non-controlling interest in Trimac Transportation Services Limited Partnership (the "Partnership") and in shares of Trimac Transportation Services Inc. (TTSI), the general partner of the Partnership.

On February 25, 2005, pursuant to an initial public offering (IPO), the Fund issued 8,598,586 units for total proceeds of $85,986. The Fund transferred $35,000 of the gross proceeds of the IPO to the Trust in exchange for a note bearing interest of 4% per annum. The Trust invested the $35,000 in a note bearing 8% interest per annum from TTSI. TTSI distributed the $35,000 as a return of capital to its parent, Trimac Holdings Ltd. ("Holdings"). The Fund issued 3,500,000 units to Holdings in exchange for $35,000. The Fund subscribed for 2,419,720 units of the Trust and additional notes in the aggregate principal of $61,789, which together has an aggregate subscription price equal to the gross proceeds of the IPO. The Trust invested the proceeds from the issuance of the Trust units and Trust notes to subscribe for 8,598,586 limited partnership units.

On March 9, 2005, the underwriters of the IPO exercised their over-allotment option to purchase an additional 429,929 units of the Fund for gross proceeds of $4,299. The proceeds were used by the Fund to subscribe for additional 85,985 units of the Trust and additional notes of $3,439. The Trust used the proceeds to acquire additional limited partnership units. All costs of the acquisition paid by the Fund were reimbursed by the Partnership.

Each unitholder participates pro rata in any distribution from the Fund.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Due to the limited amount of information that the consolidated financial statements provide on the underlying operations of the Partnership, these consolidated financial statements should be read in conjunction with the consolidated financial statements of the Partnership for the year ended December 31, 2005.

Principles of Consolidation

The Fund's consolidated financial statements include the accounts of the Trust.

Investment in the Partnership

As the Fund has significant influence over the Partnership its investment is accounted for using the equity method. Under this method, the cost of the investment is increased by the Fund's proportionate share of earnings, adjusted for the amortization of certain intangible assets and other items arising from the use of purchase accounting, and reduced by any distributions paid or payable to the Fund. The Fund's investment in the Partnership is reviewed for impairment if conditions arise that indicates that the investment may be impaired. If there is a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

Income Taxes

The Fund is a mutual fund trust for income tax purposes. As such, the Fund is only taxable on any amount not allocated to unitholders. As substantially all taxable income will be allocated to the unitholders, no provision for income taxes on earnings has been made in these consolidated financial statements. Income tax liabilities relating to distributions of the Fund are taxed in the hands of the unitholders.

Financial Instruments

Financial assets and liabilities of the Fund include those reflected on the balance sheet (interest receivable, distributions receivable, notes receivable and current liabilities) and, given their current nature, except for notes receivable are considered to be shown at fair value. The fair value of notes receivable is not readily determinable given the many terms and conditions which would influence such determination.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates are revised periodically. Results as determined by actual events could differ materially from the above estimates.

3. Investment in Trimac Transportation Services Limited Partnership

a) Share of Partnership Earnings

The net earnings of the Partnership are allocated between TTSI and the Fund based on the terms of the partnership agreement. The following is a reconciliation of net earnings recorded in the consolidated financial statements of the Partnership to the amount recorded by the Fund.

Period from February 25 to December 31,	2005
Net earnings of the Partnership	$ 14,982
Add: Interest expense on TTSI debt included in Partnership earnings	3,477
Adjusted Partnership earnings	18,459
Less: Purchase price allocation adjustments:	
Increase in amortization of capital assets (1)	(1,776)
Amortization of intangible assets (2)	(10,282)
Partnership earnings after purchase price adjustments	6,401
Share of Partnership earnings	2,268

(1) The amortization of capital assets is increased as the amortization is calculated in the Partnership financial statements using historical costs. The Fund is required to calculate its amortization expense based on its share of fair values at the date of acquisition. At the acquisition date, the fair value of capital assets is estimated to be $131,701. The amortization period for the value in excess of book for capital assets ranges from zero to 15 years, consistent with the amortization policies of the Partnership, and as a result, additional amortization expense of $1,776 has been recorded for the period from February 25, 2005 to December 31, 2005.

(2) The estimated fair market value of intangible assets at the date the Fund acquired its interest in the Partnership is $68,804. The breakdown of these intangibles and their expected amortization period is as follows:

	Amortization period (years)	Value	Amortization for the period February 25 to December 31, 2005
Brand name	n/a	$ 20,137	$ -
Customer contracts	1.5	12,449	6,916
Information Technology	5	6,847	1,141
Customer relationships	11	29,371	2,225
		68,804	10,282

b) Investment in the Partnership

At December 31, 2005, the investment in the Partnership is as follows:

Investment in Partnership units	$ 90,285
Share of earnings (note 3(a))	2,268
Less: Distributions from partnership	(7,400)
	85,153

4. Distributions to Unitholders

The policy of the Fund is to make monthly cash distributions of all of its distributable cash flow to unitholders. Distributable cash refers to the cash available for distribution to unitholders which distribution will be made on a monthly basis based on the estimated cash available for distribution on an annual basis. The distributions will be based upon cash receipts of the Fund less amounts which may be paid by the Fund in connection with any cash redemptions or repurchases of units and expenses and liabilities of the Fund, if any. The Fund may make additional distributions in excess of the monthly distributions during the year at the sole discretion of the Trustees.

Monthly distributions will be made available to unitholders of record on the last business day of each month and will be paid on or about the 15th day of the following month. The initial cash distribution of $0.0825 per unit ($1,033 in total) for the period from the closing of the IPO to March 31, 2005 was paid on April 15, 2005 to holders of record on the last business day of March 2005. Subsequent monthly distributions of $0.0729 per unit ($913 in total per month) were paid on or about the 15th day of each month to holders of record on the last business day of each month.

5. Related-Party Transactions

The Trust invested in notes receivable of $35,000 from TTSI. The note is due on February 25, 2030, is unsecured and interest is payable monthly at the rate of 8% per annum. The Trust earned interest income of $2,378 during the period from February 25, 2005 to December 31, 2005.

Amount due from the Partnership relates to amounts incurred in the ordinary course of business and are owing from the Partnership. The balance is non-interest-bearing and paid monthly.

6. Unitholders' Capital

TTSI has issued TTSI Exchangeable Shares to Holdings as part of certain pre-closing reorganization transactions. TTSI Exchangeable shareholders have the right to receive units in the Fund, indirectly through TTSI or the Trust at any time (provided that the Board of Directors shall have the discretion to limit the number of exchanges per year) in exchange for their TTSI Exchangeable Shares. Such exchange right is not exercisable if the effect would be to cause the Fund to lose its status as a "mutual fund trust" under the Income Tax Act (Canada). TTSI Exchangeable Shares can be exchanged at the option of TTSI only if the TTSI Exchangeable Shares outstanding, at any time, are exchangeable for fewer than 350,000 units. Exchangeable Security Voting Rights were also issued by the Fund to the holder of TTSI Exchangeable Shares. These rights entitle the holder to one vote at unitholders' meetings of the Fund for each unit that the holder has a right to acquire on exchange of the TTSI Exchangeable Shares. The exchangeable shares may be exchanged for units in the Fund, on the basis of the Exchange Ratio in effect at the time of the exchange. The number of TTSI Exchangeable Shares outstanding at December 31, 2005 was 9,846,313, of which 4,798,988 receive monthly distributions from the Partnership ("Cash Exchangeables") and of which 5,047,325 do not receive monthly distributions but have a monthly increase in their exchange ratio in lieu of such distributions ("Ratchet Exchangeables"). The Exchange Ratio at December 31, 2005 is 1:1 for the Cash Exchangeables and 1.077746:1 for the Ratchet Exchangeables.

Subsequent to the December 2005 distribution, on January 16, 2006 the Fund had the following number of securities outstanding or reserved for issuance:

Trust units	
Issued on IPO	8,598,586
Issued on over-allotment option	429,929
Issued through private placement	3,500,000
	12,528,515
Trust units reserved (1)	
Reserved for Cash Exchangeables	4,798,988
Reserved for Ratchet Exchangeables	5,439,735
	10,238,723
Fully diluted units	22,767,238

(1) Reserved for issuance pursuant to TTSI Exchangeable Shares, which are exchangeable for Trust Units.

7. Guarantees

The Trust and the Partnership have each guaranteed the senior note and the revolving credit facility retained by TTSI. These facilities are described in note 6 to the consolidated financial statements of the Partnership. In addition, payment of the note receivable from TTSI is subordinated to the senior note and revolving credit facility.

Auditors' Report – Trimac Transportation Services Limited Partnership

To the Directors of Trimac Transportation Services Inc., as General Partner of Trimac Transportation Services Limited Partnership

We have audited the consolidated balance sheets of Trimac Transportation Services Limited Partnership as at December 31, 2005 and 2004 and the consolidated statements of earnings and equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta, Canada

March 8, 2006

Trimac Transportation Services Limited Partnership Consolidated Financial Statements

Consolidated Balance Sheet

As at December 31, *(thousands of dollars)*	2005	2004
Assets		
Current Assets		
Cash and term deposits	$ 6,747	$ -
Accounts receivable	35,830	35,764
Materials and supplies	1,894	1,495
Due from associated companies and partnerships (note 8)	-	2,974
Prepaid expenses	9,541	11,134
	54,012	51,367
Capital assets (note 4)	91,858	96,575
Due from associated companies (note 8)	-	19,801
Goodwill	3,564	3,564
Future income taxes (note 7)	465	-
Other	1,217	1,260
	151,116	172,567
Liabilities		
Current Liabilities		
Bank indebtedness	-	173
Bank advances (note 5)	-	2,155
Accounts payable and accrued liabilities	29,308	34,187
Distributions payable	2,604	-
Income taxes payable	276	334
Due to associated companies and partnerships (note 8)	2,050	-
	34,238	36,849
Long-term debt (note 6)	56,000	93,000
Due to associated partnership (note 8)	-	7,331
Future income taxes (note 7)	-	10,109
Other long-term liabilities	1,228	1,483
	91,466	148,772
Partnership/divisional equity (note 13)	59,650	23,795
	151,116	172,567

Commitments and contingencies (note 10)

On Behalf of the Board of Directors

Jeffrey J. McCaig
Director

Terry J. Owen
Director

Consolidated Statement of Earnings and Equity

(thousands of dollars)	From January 1 to February 24, 2005	From February 25 to December 31, 2005	Year ended December 31, 2005	Year ended December 31, 2004
Transportation revenue	$ 45,632	$ 243,422	$ 289,054	$ 297,236
Fuel surcharges	2,354	22,239	24,593	13,102
Total revenues	47,986	265,661	313,647	310,338
Operating costs and expenses				
Direct	36,190	193,912	230,102	228,873
Selling and administrative (note 8)	7,611	34,942	42,553	42,639
Depreciation	3,692	18,809	22,501	21,793
Loss (gain) on sale of assets (net)	8	(701)	(693)	(661)
Operating expense	47,501	246,962	294,463	292,644
Operating earnings	485	18,699	19,184	17,694
Interest – long-term debt	40	3,740	3,780	7,577
Other interest expense (income)	1	43	44	(918)
	41	3,783	3,824	6,659
Earnings before income taxes	444	14,916	15,360	11,035
Income tax expense (recovery)				
Current	32	335	367	6,175
Future	(20)	(401)	(421)	(2,148)
	12	(66)	(54)	4,027
Net earnings	432	14,982	15,414	7,006
Opening equity	23,795	41,760	23,795	16,465
Reorganization adjustments to equity (note 13)	17,545	–	17,545	–
Issue of additional partnership units (note 1)	–	90,285	90,285	–
Partnership unit issuance costs (note 1)	–	(9,718)	(9,718)	–
Partnership formation costs (note 1)	–	(1,535)	(1,535)	–
Return of capital to general partner (note 1)	–	(5,509)	(5,509)	–
Reclassification of equity to debt (note 6)	–	(56,000)	(56,000)	–
Cumulative translation adjustment change	(12)	(19)	(31)	7
Distributions	–	(14,596)	(14,596)	315
Closing partnership/divisional equity	41,760	59,650	59,650	23,795

Consolidated Statement of Cash Flows

(thousands of dollars)	From January 1 to February 24, 2005	From February 25 to December 31, 2005	Year ended December 31, 2005	Year ended December 31, 2004
Cash provided (used)				
Operations				
Net earnings	$ 432	$ 14,982	$ 15,414	$ 7,008
Add back (deduct) items not affecting cash				
Depreciation	3,692	18,809	22,501	21,793
Loss (gain) on sale of assets (net)	8	(701)	(693)	(661)
Future income tax recovery	(20)	(401)	(421)	(2,148)
Other non-cash items	–	204	204	13
Cash provided by operations	4,112	32,893	37,005	26,005
Net change in non-cash working capital (note 11)	(6,207)	6,616	409	2,743
Net cash (used in) provided by operations	(2,095)	39,509	37,414	28,748
Investments				
Purchases of capital assets	(5,966)	(11,012)	(16,978)	(15,723)
Proceeds on sale of capital assets	283	2,191	2,474	2,667
Acquisition of transportation assets (note 14)	–	(2,714)	(2,714)	(4,255)
Decrease in accounts payable and accrued liabilities relating to investing activities	–	183	183	–
Notes receivable	11	27	38	23
Other	18	(46)	(28)	36
Cash used in investing activities	(5,654)	(11,371)	(17,025)	(17,252)
Financing				
Repayments of long-term debt (note 1)	–	(75,000)	(75,000)	(15,000)
Net change in bank advances	–	–	–	(1,114)
Net proceeds on issue of units (note 1)	–	79,032	79,032	–
Return of capital (note 1)	–	(5,509)	(5,509)	–
Distributions paid	–	(11,992)	(11,992)	315
Intercompany advances, net	–	–	–	6,172
Cash used in financing activities	–	(13,469)	(13,469)	(9,627)
(Decrease) increase in (bank indebtedness) cash and term deposits	(7,749)	14,669	6,920	1,869
Bank indebtedness, beginning of period	(173)	(7,922)	(173)	(2,042)
(Bank indebtedness) cash and term deposits, end of period	(7,922)	6,747	6,747	(173)
Supplemental Information				
Income taxes paid	5	144	149	5,354
Interest paid	88	2,284	2,372	6,595

(thousands of dollars, except for number of units)

1. Description of the Business

Trimac Transportation Services Limited Partnership ("the Partnership") is a limited partnership established on November 12, 2004 under the laws of the province of Alberta. The general partnership interest is owned by Trimac Transportation Services Inc. (TTSI) and limited partnership units are owned indirectly by the Trimac Income Fund ("the Fund"). The Partnership is Canada's largest bulk trucking services provider with operations from coast to coast. In addition, through its investment in another limited partnership and through a subsidiary company, the Partnership provides complementary logistics services in Canada and the United States. The Partnership is headquartered in Calgary, Alberta.

Prior to January 1, 2005, the bulk trucking and logistics operations of the Partnership were conducted by TTSI and certain of its direct and indirect subsidiaries.

Effective January 1, 2005, the Partnership purchased substantially all of the assets of TTSI relating to its Canadian bulk trucking business and its North American logistics business (collectively the "combined business") in exchange for an assumption of certain liabilities of TTSI, a demand note in the amount of $75,000 and an increased general partnership interest (see note 13 for further details). On February 25, 2005, pursuant to an initial public offering ("the Offering"), the Fund issued 8,598,586 units for total proceeds of $85,986. This amount was indirectly invested into the Partnership to acquire 8,598,586 limited partnership units. The Partnership used the proceeds to repay the $75,000 note to TTSI, to pay for estimated costs of the offering ($7,983) and to pay for Partnership formation costs ($1,535), and distributed the remainder to TTSI ($1,468) as a return of capital on its general partnership interest.

On March 9, 2005, the underwriters of the Offering exercised their over-allotment option to purchase an additional 429,929 units of the Fund for gross proceeds of $4,299. The gross proceeds were used by the Fund to acquire additional limited partnership units. The Partnership used the proceeds to reimburse the Fund for its costs of the over-allotment ($258) and distributed the remainder to TTSI ($4,041) as an additional return of capital. The Partnership paid costs, in excess of the originally estimated amounts related to the issuance, of $1,477 directly.

The formation of the Partnership has been accounted for under the continuity of interests approach, as there was no substantive change in the ultimate ownership interests of the Partnership. Accordingly, these consolidated financial statements reflect the financial position, results of operations and cash flows as if the Partnership had always carried on the business formerly carried on by the combined business. The comparative consolidated financial statements of the combined business prior to the commencement of business operations by the Partnership on January 1, 2005 are not necessarily indicative of the results that would have been obtained if the combined business had operated as a separate legal entity during the periods presented and, therefore, are not necessarily indicative of future operating results. No adjustments have been made to the combined business's financial statements prior to January 1, 2005 to reflect incremental changes to the cost structure as a result of the legal formation of the Partnership.

The accompanying consolidated financial statements include the accounts of the Partnership and its subsidiaries for the period subsequent to January 1, 2005 or the combined business for the period prior to January 1, 2005 ("Trimac"). All of the subsidiaries are 100%-owned. The statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These consolidated financial statements have been prepared using the accounting policies as described in note 2. The policies are consistent with those applied in the audited financial statements of the combined business presented with the prospectus filed by the Fund on February 18, 2005.

The reorganization of TTSI on January 1, 2005 to a limited partnership results in a different tax structure since the expense is limited only to income earned by taxable subsidiaries of the Partnership. The majority of income subsequent to January 1, 2005 is earned by partnerships that distribute their taxable income to their partners who are responsible for payment of income taxes.

2. Accounting Policies

Materials and Supplies

Materials and supplies are valued at the lower of cost and net replacement cost, with cost being determined on a first-in, first-out basis.

Prepaid Tires

The cost of original and new replacement tires and tubes on vehicles hauling bulk commodities is charged to prepaid expense and is written off against income, to direct cost, on a mileage basis.

Goodwill

Goodwill is not amortized but is tested for impairment on an annual basis by comparing the fair value of each reporting unit to its book value. Where the carrying value of a reporting unit exceeds its fair value, goodwill is written down to its fair value. It was determined that there has been no impairment for the years ended December 31, 2005 and 2004.

Reclassification

Certain amounts presented in the Consolidated Balance Sheet and Consolidated Statement of Earnings have been reclassified from those previously reported. Net earnings remain unchanged.

Capital Assets

Capital assets are originally recorded at cost. Depreciation is provided at rates which will amortize costs to estimated residual values over the assets' estimated useful lives as follows:

Asset	Depreciation	Estimated useful life
Highway tractors	Various percentages of original cost (5% residual)	7 years
Highway trailers	Straight-line (4% residual)	8 to 10 years
Buildings and yard improvements	Straight-line	25 years
Other	Various	3 – 10 years

Foreign Currency Translation

Bulk Plus Logistics Inc., a U.S. wholly owned subsidiary, is considered self-sustaining and is translated using the current rate method.

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The items that are subject to the greatest measurement uncertainty include future income taxes, third-party liability claims, valuation of goodwill and estimated useful life of capital assets.

Revenue Recognition

Revenue for the trucking business is recognized when goods are delivered. Revenue is recognized for the logistics business when the service has been completed.

Future Income Taxes

Trimac follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

3. Financial Instruments

While the availability of derivative financial instruments with respect to foreign exchange and interest rates is monitored, it has not been considered necessary to hedge such items.

Financial assets and liabilities include those reflected on the balance sheet (accounts receivable, due from associated companies and partnerships, notes receivable, bank indebtedness, bank advances, accounts payable and accrued liabilities and long-term debt) and, given their current nature, except for notes receivable and long-term debt are considered to be shown at fair value. As at December 31, 2005, $56,000 of the long-term debt of Trimac was fixed with an interest rate of 7.29% per annum, while at December 31, 2004, $85,000 of the long-term debt was fixed at the same interest rate. The estimated fair value using the present value of expected cash outlays for principal and interest, based on an estimated rate for long-term debt with similar terms, is $60,551 at December 31, 2005 and $93,717 at December 31, 2004. Canadian dollar floating debt and the stated amount of outstanding principal is considered to be fair value.

Trimac hauls a wide variety of bulk materials for a broad customer base spanning numerous industries. Given the strength and diversity of the customer base, the credit risks are not considered overly concentrated.

4. Capital Assets

The cost and net book value of capital assets by major classification are as follows:

As at December 31, 2005	Cost	Accumulated depreciation	Net
Bulk hauling highway units	$ 210,266	$ 148,356	$ 61,910
Land, buildings and yard improvements	46,398	22,476	23,922
Other equipment	53,486	47,460	6,026
	310,150	218,292	91,858

As at December 31, 2004	Cost	Accumulated depreciation	Net
Bulk hauling highway units	$ 210,802	$ 143,756	$ 67,046
Land, buildings and yard improvements	42,212	20,915	21,297
Other equipment	52,874	44,642	8,232
	305,888	209,313	96,575

5. Bank Advances

Trimac entered into a $25,000 revolving credit facility ("new facility") in February 2005. The terms of this revolving credit facility do not require repayments, provided certain covenants described in note 6 d) are in compliance; therefore, if any amounts were outstanding they would be classified as long-term debt and are described in note 6 c). The combined business had bank advances at December 31, 2004 that were unsecured, due on demand and interest was paid at a floating rate equal to Canadian prime. In addition to the unused lines of credit described in note 6 c), the combined business also had unused working capital facilities which totalled $3,845 at December 31, 2004.

6. Long-Term Debt

As at December 31,	2005	2004
Due to TTSI (a)	$ 56,000	$ -
Senior note (b)	-	85,000
Revolving credit facility (c)	-	8,000
	56,000	93,000

(a) The amount due to TTSI relates to the portion of TTSI's partnership interest that is equal to the outstanding balance of the senior note (note 6 b) and revolving credit facility (note 6 c) retained by TTSI ("TTSI debt") (note 13). Under the terms of the partnership agreement, the amount due is callable by TTSI in the event that TTSI is required to repay any of the TTSI debt or when desired. The partnership and TTSI have entered into an agreement whereby TTSI has committed not to call the TTSI debt except when required under the terms of the TTSI debt. Therefore, the repayment terms disclosed in note 6 e) are equal to the terms of the senior note and revolving credit facility held by TTSI. In addition the partnership agreement requires that a priority distribution be made to TTSI equal to the interest that TTSI pays on the TTSI debt. Given the terms of the partnership interest noted above, $56,000 has been reclassified between partnership equity and long-term debt and distributions related to this partnership interest have been classified as interest expense on the consolidated statements of earnings.

(b) The Series A Senior note held in TTSI in 2005 provides a note payable of $56,000 (2004 – $85,000). The note is unsecured and interest is at a fixed rate of 7.29% per annum. No payments are required until August 20, 2008,

at which time payments of $18,667 are required annually until the note matures in full on August 20, 2010. During the year ended December 31, 2005, $19,000 of this note was assumed by a former U.S. subsidiary of TTSI and $10,000 of the note was repaid from the proceeds of the Offering. The remainder was retained in TTSI during the reorganization (notes 1 and 13).

(c) The $25,000 revolving credit facility is a joint facility with TTSI and the Partnership, is unsecured and interest rates are floating generally from Canadian or U.S. prime plus 0.25% to Canadian or U.S. prime plus 1.5% and determined by grid pricing based on Trimac's ratio of debt to earnings before interest, taxes and depreciation. Trimac may elect to borrow in prime, LIBOR, Euro or Bankers' Acceptance instruments. The agreement is a 364-day revolver subject to renewal on July 31, 2006. Under the terms of the agreement, if the facility is not renewed, the loans are repayable one year after the termination date. Prior to the new facility, the combined business was governed by an agreement entered into in December 2003 ("old facility") and renewed under substantially the same terms in December 2004. The old facility was $84,000 and financed operations of Trimac as well as TTSI's U.S. subsidiaries. Interest rates under the old facility were similar to rates under the new credit agreement.

After taking into consideration letters of credit of $6,488 outstanding as at December 31, 2005 ($22,177 as at December 31, 2004), unused lines of credit at December 31, 2005 totalled $18,512 ($51,146 at December 31, 2004).

(d) The terms of all of the loans described in b) and c) above include certain covenants requiring the borrower to incur a minimum level of capital expenditures and to maintain specified debt service coverage, debt to earnings before interest, taxes, loss (gain) on sale of assets, depreciation and amortization (EBITDA) and EBITDA to interest ratios.

(e) Amounts of long-term debt repayable in the following years ending December 31, are:

2006	$ -
2007	-
2008	18,667
2009	18,667
2010	18,666
Thereafter	-
	56,000

7. Income Taxes

The income tax provision is other than expected for the reasons set out below:

Year ended December 31,	2005	2004
Expected combined federal/provincial corporate tax rate	35.5%	35.5%
Expected provision based on the above rate	$ 5,453	$ 3,918
Increase (decrease) from:		
Earnings taxed outside of Partnership	(5,496)	-
Jurisdictional rate differences	(16)	(12)
Capital taxes	4	202
Non-taxable portion of capital gains	-	(145)
Change in substantively enacted tax rates on temporary differences	-	(23)
Recovery of previous years' taxes	5	(33)
Other – net	(4)	120
	(54)	4,027

Future tax liabilities and assets are recognized based on temporary differences between the carrying values of assets and liabilities used for financial statement and income tax purposes, using substantively enacted tax rates. Net future tax liabilities or assets may be offset when they relate to the same taxation authority. The temporary differences comprising the net future income tax liability are as follows:

As at December 31,	2005	2004
Future income tax liabilities		
Capital assets in excess of tax values	$ 177	$ 9,435
Prepaid expenses deductible for tax	57	2,125
Goodwill and deferred charges in excess of tax values	379	304
Provisions claimed for tax in advance of book	148	425
Book base of investments in excess of tax base	-	379
	761	12,668
Future income tax assets		
Loss carry-forwards recognized	1,106	736
Book provisions not claimed for tax purposes	120	1,823
	1,226	2,559
Net future income tax (asset) liability	(465)	10,109

As at December 31, 2005, certain subsidiaries of the Partnership have non-capital loss carry-forwards available to reduce taxable income in the amount of $2,944. The losses expire at various dates from 2006 to 2012. For financial statement purposes the future tax benefits relating to the losses have been offset against the recognized future tax liability relating to other accumulated temporary differences.

8. Related-Party Transactions

During the year ended December 31, 2005, the Partnership received administrative services provided by an associated partnership. The services were provided under a shared services agreement and amounted to $11,547. At December 31, 2005, $1,477 was payable and included in due to associated companies and partnerships.

During the year ended December 31, 2004, the combined business provided all of the administrative services directly through a subsidiary company. Expenses totalled $23,847 of which $10,246 was charged to a U.S. subsidiary and the remainder of $13,601 was absorbed by the combined business.

Due to/from associated companies and partnerships in current liabilities/assets relates to amounts incurred in the ordinary course of business and is owed to/from certain U.S. or Canadian associated companies or partnerships or TTSI. The balances are non-interest-bearing and paid monthly. The long-term due from associated companies as at December 31, 2004 was a receivable from the parent of TTSI, of which $16,000 bore interest at prime plus 0.75% per annum while the remainder was non-interest-bearing. The long-term due to an associated partnership was a non-interest-bearing payable to a wholly owned partnership of Trimac.

Trimac Holdings Ltd., the parent of TTSI, commonly controls the above associated companies and partnerships.

9. Segmented Information

Trimac provides bulk trucking services in Canada and logistics services to the transportation industry in Canada and the United States.

Trimac manages its bulk trucking operations in Canada on a geographic basis (western and eastern divisions). Logistics services are managed and reported on separately.

Revenue is all directly related to the activity in a segment. Expenses are either directly related to a segment or, in the case of corporate administration and interest expenses, are centrally managed and allocated across the segments.

Trimac has no customers which account for more than 10% of total revenue.

Year ended December 31, 2005	Total revenues	Earnings before depreciation, (gain) loss on sale of assets, interest and taxes	Depreciation and (gains) loss on asset disposals	Interest expense	Earnings (loss) before income taxes	Total assets	Goodwill
Western	$ 177,509	$ 26,341	$ 12,745	$ 2,732	$ 10,864	$ 84,106	$ 730
Eastern	119,313	10,973	6,299	1,442	3,232	48,875	2,834
Other (a)	92	1,590	2,295	(481)	(224)	12,155	-
Total bulk trucking	296,914	38,904	21,339	3,693	13,872	145,136	3,564
Logistics	16,733	2,088	469	131	1,488	5,980	-
Total	313,647	40,992	21,808	3,824	15,360	151,116	3,564

Year ended December 31, 2004	Total revenues	Earnings before depreciation, (gain) loss on sale of assets, interest and taxes	Depreciation and (gains) loss on asset disposals	Interest expense	Earnings (loss) before income taxes	Total assets	Goodwill
Western	$ 173,527	$ 24,139	$ 11,616	$ 2,253	$ 10,270	$ 84,399	$ 730
Eastern	117,854	11,105	6,804	1,313	2,988	51,083	2,834
Other (a)	150	2,369	2,296	2,995	(2,922)	30,705	-
Total bulk trucking	291,531	37,613	20,716	6,561	10,336	166,187	3,564
Logistics	18,807	1,213	416	98	699	6,380	-
Total	310,338	38,826	21,132	6,659	11,035	172,567	3,564

(a) Includes certain unallocated or over-allocated corporate office and interest expenses net of corporate depreciation recoveries that are allocated to each division and recorded as corporate administrative or interest expense. Assets include cash amounts due from the parent company and associated companies and unallocated fixed assets used in corporate administrative functions.

10. Commitments and Contingencies

Trimac has operating leases for certain terminal facilities, office equipment and automobiles.

Future rental payments under operating leases with initial or remaining non-cancellable lease terms in excess of one year at December 31, 2005 are:

2006	$	3,145
2007		1,634
2008		911
2009		456
2010		94
Thereafter		2

Under the terms of a contract with a major customer, Trimac is committed to purchase 10.0 million litres of fuel per year at prevailing market prices from the customer. The contract expires on April 30, 2007.

Trimac is involved in various legal actions, which have occurred in the ordinary course of operations. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

11. Non-Cash Working Capital

Net changes in non-cash working capital balances are as follows:

Year ended December 31,		2005		2004
Accounts receivable	$	(69)	$	(256)
Material and supplies		(398)		(15)
Income taxes receivable/payable		250		821
Prepaid expenses		1,720		(821)
Accounts payable and accrued liabilities		(2,744)		6,829
Due from/to associated companies and partnerships		1,650		(3,815)
		409		2,743

12. Seasonality

The Partnership operations are subject to seasonal influences. Revenues and earnings in the first quarter and, to a lesser extent, in the fourth quarter, are generally lower than in the second and third quarters due to lower construction-related volume, colder weather, higher operating costs and lower operating efficiencies in colder weather. The second and third quarters are generally the most profitable quarters for Trimac, primarily due to construction-related products and increased economic activity from industries using raw materials that we haul, generating higher volumes and increased utilization of our equipment at lower operating costs. This seasonality is influenced by changes in business mix and weather that varies from time to time.

13. Reorganization

Effective January 1, 2005, as referred to in note 1, the Partnership purchased substantially all of the net assets of TTSI relating to its Canadian bulk trucking business and its North American logistics business in exchange for an assumption of certain liabilities of TTSI, a demand note in the amount of $75,000 and an increased partnership interest. A reconciliation of the assets transferred is listed below:

	Combined business net assets December 31, 2004	Net assets transferred to the Partnership	Net assets retained in TTSI
Working capital	$ 14,518	$ 15,922	$ (1,404)
Capital assets	96,575	96,575	–
Due from associated companies	19,801	–	19,801
Future taxes	(10,109)	47	(10,156)
Goodwill	3,564	3,564	–
Other assets	1,260	1,260	–
Long-term debt	(93,000)	–	(93,000)
Due to associated partnership	(7,331)	–	(7,331)
Other long-term liabilities	(1,483)	(1,028)	(455)
	23,795	116,340	(92,545)
Note payable	–	(75,000)	75,000
Divisional/partnership equity	23,795	41,340	(17,545)

14. Acquisition of Transportation Assets

During the years ended December 31, 2005 and 2004, Trimac purchased, for cash consideration, certain of the assets of the following companies:

Company	Effective date
Superior Propane	December 2005
G.A. Foss Transport Ltd.	April 2004
Transport Copeaux R.M. Inc.	October 2004

Assets Purchased

Year ended December 31,	2005	2004
Working capital	$ 126	$ –
Capital assets	2,588	4,255
Total consideration	2,714	4,255

59

Unitholder Information

Stock Exchange Listing

Toronto Stock Exchange: TMA.UN

Transfer Agent

Computershare Trust Company of Canada
530 – 8th Avenue S.W., Suite 600
Calgary, Alberta Canada
T2P 3S8

Investor Relations Contact

E. V. Malysa
Vice President and Chief Financial Officer
2100, 800 – 5th Avenue S.W.
P.O. Box 3500
Calgary, Alberta Canada
T2P 2P9
Phone: (403) 298-5100
E-mail: investors@trimac.com

TMA.UN Unit Price and Volumes - TSX

2005	High	Low	Volume
First-Quarter	12.00	10.77	370,347
Second-Quarter	12.00	11.35	42,519
Third-Quarter	11.89	8.75	49,048
Fourth-Quarter	9.15	6.98	41,078

Distribution Information

The policy of the Fund is to make monthly cash distributions to Unitholders of record on each Record Date on or about the 15th day of the month following the Record Date. Monthly distributions are based upon Trimac's estimated cash flow on an annual basis, less estimated cash amounts required for debt service obligations, sustaining capital expenditures, cash taxes, other expenses and reserves (including amounts for capital expenditures and working capital) and to stabilize the monthly amount of distributions to unitholders.

Cash Distributions for 2005

Record date	Distribution date	Payment per unit
March 31, 2005	April 15, 2005	0.0825
April 30, 2005	May 16, 2005	0.0729
May 31, 2005	June 15, 2005	0.0729
June 30, 2005	July 15, 2005	0.0729
July 31, 2005	August 15, 2005	0.0729
August 31, 2005	September 15, 2005	0.0729
September 30, 2005	October 15, 2005	0.0729
October 31, 2005	November 17, 2005	0.0729
November 30, 2005	December 15, 2005	0.0729
December 31, 2005	January 16, 2006	0.0729
Total		0.7386

Directors and Trustees

Jeffrey J. McCaig

Director, Trimac Transportation Services Inc.; Chairman of the Board

Jeffrey J. McCaig is Chairman of TTSI. He was President of Trimac Corporation from May 1990 to February 2005 and Chief Executive Officer from July 1994 to February 2005. Mr. McCaig currently serves as a director of ORBUS Pharma Inc. since December 1989, Potash Corporation of Saskatchewan since January 2001, Standard Life Assurance Company of Canada since December 2004 and Stoneham Administration Inc. since May 2000.

Rhys T. Eyton

Director, Trimac Transportation Services Inc.; Trustee; Chairman Audit Committee

Mr. Eyton is a corporate director and has served as a director of the Vancouver International Airport Authority since 2000 and as a trustee of the Canadian Hotel Income Properties Real Estate Investment Trust since 1997. He has previously served on numerous corporate boards including Clarica Life Insurance Company, Brascan Ltd., IBM Canada Ltd. and Prudential Steel Ltd. Mr. Eyton served as Chairman and Chief Executive Officer of Canadian Airlines International from 1987 to 1989 at which time he became Chairman, President and Chief Executive Officer of Canadian Airlines.

Terry J. Owen

Director, Trimac Transportation Services Inc.; Trustee

Terry J. Owen is President and Chief Executive Officer of TTSI, a position he has held since February 2005. In 2000, Mr. Owen was appointed Executive Vice President of Trimac Holdings Ltd. and in 2001, he became President of both Trimac Holdings and TTSI. In February 2005 Mr. Owen ceased to be an officer of Trimac Holdings in conjunction with the IPO of the Fund.

Maurice W. McCaig

Director, Trimac Transportation Services Inc.; Trustee

Maurice W. McCaig is President of Mo-Mac Investments Ltd., a holding company. Mr. McCaig has been a director of Trimac Corporation and predecessors for over 35 years.

M. Jerry Patava

Lead Director, Trimac Transportation Services Inc.; Trustee; Governance and Compensation Committee

M. Jerry Patava has served as trustee of The Consumers' Waterheater Income Fund from December 2002, as a trustee of Osprey Media Income Fund from December 2004 and as a director of TransAlta Power, L.P. since May 2005. Mr. Patava retired in January 2005 from his position as Executive Vice President and Chief Financial Officer of Fairmont Hotels & Resorts Inc., a position he held from January 1998.

Gerald A. Romanzin

Director, Trimac Transportation Services Inc.; Trustee; Chairman of the Board of Trustees; Audit Committee

Gerald A. Romanzin is an independent businessman and has served as a director of the administrator of Crescent Point Energy Trust from March 2004, Ketch Resources Trust from January 2005, Focus Energy Trust from August 2002 and as a director of Kereco Energy Ltd. from January 2005. He was previously Executive Vice-President of the TSX Venture Exchange and predecessor exchanges from 1995 to April 2002.

Andrew B. Zaleski

Director, Trimac Transportation Service Inc.; Chairman of the Governance and Compensation Committee; Audit Committee

Andrew B. Zaleski is a corporate director and has served as a director and Chairman of the audit committee of Trimac Holdings from 2002 to February 2005; as a director of Orbus Pharma Inc. from 2004 to the present; and as a director of Technicoil Corporation from 2005 to present. Mr. Zaleski was also President of TTSI from 1983 to 2001.

Corporate Information

Officers

Jeffrey J. McCaig

Director, Trimac Transportation Services Inc.
Chairman of the Board

Jeffrey J. McCaig is Chairman of TTSI. He was President of Trimac Corporation from May 1990 to February 2005 and Chief Executive Officer from July 1994 to February 2005. Mr. McCaig currently serves as a director of ORBUS Pharma Inc. since December 1989, Potash Corporation of Saskatchewan since January 2001, Standard Life Assurance Company of Canada since December 2004 and Stoneham Administration Inc. since May 2000.

Terry J. Owen

President and Chief Executive Officer, Trimac Transportation Services Inc. Trustee

Terry J. Owen is President and Chief Executive Officer of TTSI, a position he has held since February 2005. In 2000, Mr. Owen was appointed Executive Vice President of Trimac Holdings Ltd. and in 2001, he became President of both Trimac Holdings and TTSI. In February 2005 Mr. Owen ceased to be an officer of Trimac Holdings in conjunction with the IPO of the Fund.

Edward V. Malysa

Vice President and Chief Financial Officer

Mr. Malysa began his career with Trimac in 1977. Mr. Malysa was Director of Acquisitions from 1999 to 2001 prior to becoming Vice President of Finance in 2001 and Vice President and Chief Financial Officer in 2003.

Robert J. Kennedy

Vice President, General and Corporate Secretary

Robert J. Kennedy joined TTSI in 1989 as General Counsel and was appointed Vice President, General Counsel and Corporate Secretary of Trimac in 1999. Prior to joining TTSI, Mr. Kennedy was a partner in private law firms practicing corporate and commercial law and also served as Corporate Solicitor for a public corporation.

Deborah J. McCaffrey

Assistant Corporate Secretary

Deborah J. McCaffery has been the Assistant Corporate Secretary of TTSI and Trimac Holdings since 2001. Prior to that Ms. McCaffery was a legal assistant to TTSI and Trimac Holdings.

Auditors

PricewaterhouseCoopers LLP
111 – 5th Avenue S.W., Suite 3100
Calgary, Alberta Canada
T2P 5L3

Banker

Bank of Nova Scotia
605 – 5th Avenue S.W.
Calgary, Alberta Canada
T2P 3H5

Corporate Head Office

2100, 800 – 5th Avenue S.W. P.O. Box 3500 Calgary, Alberta T2P 2P9
Phone: (403) 298-5100 | Fax: (403) 298-5146 | E-mail: info@trimac.com | www.trimac.com

Equipment Through Time

1940s

Maccam operated one of the first tank truck semi-trailers in western Canada.

1950s

Nick-named the "banana boat", flat deck petroleum combination.

1970s

Two-way haul: dry bulk and liquid bulk.

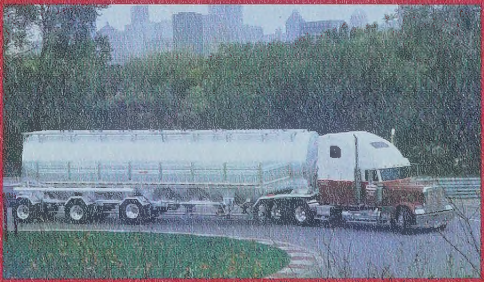
1960s

Dry bulk pneumatic unit.

1980s

7-axle super B train for liquified petroleum gas.

1990s



2,800 cubic foot aluminum dry plastics tri-axle.

2000s

8-axle belly dump B train for coal or other dry products.

Designed and produced by Merlin Edge Inc. www.merlinedge.com

Trimac

Trimac Income Fund
2100, 800 - 5th Avenue S.W. P.O. Box 3500
Calgary, Alberta T2P 2P9
www.trimac.com